

**NEW ISSUE
(Book-Entry Only)**

RATING
S&P: “AA” (stable outlook) (insured)
“A+” (stable outlook) (underlying)
See “MISCELLANEOUS - Ratings” herein.

In the opinion of Holland & Knight LLP, Bond Counsel, assuming compliance with certain arbitrage rebate and other tax requirements referred to herein, under existing law, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax on imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”); however, interest on the Series 2025 Bonds is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. See “TAX STATUS” herein.

\$47,700,000*
TOWN OF BRASELTON, GEORGIA
WATER AND SEWERAGE REVENUE BONDS,
SERIES 2025

Dated: Date of Issuance

Due: July 1, as shown on inside front cover

The Town of Braselton, Georgia (the “Town”) will issue its Water and Sewerage Revenue Bonds, Series 2025 (the “Series 2025 Bonds”) for the purpose of (i) refunding the Refunded Obligations (as defined herein); (ii) financing or refinancing the cost of the 2025 Project (as defined herein), (iii) paying capitalized interest on the Series 2025 Bonds, (iv) purchasing a municipal bond insurance policy relating to the Series 2025 Bonds, and (v) financing all or a portion of the costs of issuance of the Series 2025 Bonds. See “**PLAN OF FINANCING**” herein.

Interest on the Series 2025 Bonds is payable semiannually on July 1 and January 1 of each year, commencing on January 1, 2026. All Series 2025 Bonds bear interest from their date of issuance. See “**INTRODUCTION - Description of the Series 2025 Bonds**” herein.

The Series 2025 Bonds are subject to redemption prior to their respective maturities as described herein. See “**THE SERIES 2025 BONDS - Redemption**” herein.

The Series 2025 Bonds are special limited obligations of the Town payable solely from and secured by a pledge of and lien on the revenues derived by the Town from the ownership and operation of its water and sewer system (the “System”), remaining after the payment of expenses of operating, maintaining, and repairing the System (the “Net Revenues”), as described herein. The lien on the Net Revenues securing the Series 2025 Bonds will be on a parity with the lien on the Net Revenues securing the Existing Bonds (as defined herein) and any additional parity bonds hereafter issued. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS**” herein.

The scheduled payment of the principal of and interest on the Series 2025 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2025 Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.



The Series 2025 Bonds will be issued in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2025 Bonds. Purchases will be made only in book-entry form through the Participants (as herein defined) in DTC, and no physical delivery of the Series 2025 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest and premium, if any, on the Series 2025 Bonds will be made to Beneficial Owners by DTC through its Participants. As long as Cede & Co. is the registered owner of the Series 2025 Bonds, as nominee of DTC, references herein to the holders of the Series 2025 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2025 Bonds. See “**THE SERIES 2025 BONDS - Book-Entry Only System**” herein.

THE SERIES 2025 BONDS DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE TOWN OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE TOWN. NO GOVERNMENTAL ENTITY, INCLUDING THE TOWN, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS. NO RECOURSE MAY BE HAD AGAINST THE GENERAL FUND OF THE TOWN FOR THE PAYMENT OF THE SERIES 2025 BONDS.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2025 Bonds are offered when, as, and if issued by the Town and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to the approving opinion of Holland & Knight LLP, Bond Counsel. Certain legal matters will be passed on for the Town by its Counsel, Chandler, Britt & Jay, LLC, and by its Disclosure Counsel, Holland & Knight LLP. The Series 2025 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York on or about October 23, 2025*.

STIFEL

Stephens Inc.

Dated: September __, 2025.

* Preliminary, subject to change.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

\$47,700,000*
TOWN OF BRASELTON, GEORGIA
WATER AND SEWERAGE REVENUE BONDS,
SERIES 2025

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2027	\$450,000	[]%	[]%	[]
2028	375,000			
2029	395,000			
2030	415,000			
2031	445,000			
2032	480,000			
2033	870,000			
2034	915,000			
2035	965,000			
2036	1,510,000			
2037	235,000			
2038	1,000,000			
2039	1,150,000			
2040	1,205,000			
2041	1,265,000			
2042	1,380,000			
2043	1,495,000			
2044	1,575,000			
2045	1,735,000			
2046	1,820,000			
2047	2,265,000			
2048	2,735,000			
2049	2,860,000			
2050	2,990,000			
2051	3,130,000			
2052	3,275,000			
2053	3,425,000			
2054	3,585,000			
2055	3,755,000			

* Preliminary, subject to change.

† The CUSIP numbers are included in this Official Statement for the convenience of the holders and potential holders of the Series 2025 Bonds. No assurance can be given that the CUSIP numbers for a particular maturity of Series 2025 Bonds will remain the same after the date of issuance and delivery of the Series 2025 Bonds. None of the Town, the Bond Registrar or the Underwriter assume any responsibility for the accuracy of such numbers.

TOWN OF BRASELTON, GEORGIA

ELECTED OFFICIALS

Town Council

Kurt Ward, *Mayor*
Becky Richardson – District 1
Richard Harper – District 2
Tom Logan – District 3
James Murphy – District 4

APPOINTED OFFICIALS

Jennifer Scott, *Town Manager and Clerk*
Sandy Weinel, *Public Works Director*

SPECIAL SERVICES

ENGINEER

Engineering Management, Inc.
Lawrenceville, Georgia

BOND AND DISCLOSURE COUNSEL

Holland & Knight LLP
Atlanta, Georgia

TOWN COUNSEL

Chandler, Britt & Jay, LLC
Buford, Georgia

UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated
Atlanta, Georgia

Stephens Inc.
Atlanta, Georgia

UNDERWRITER'S COUNSEL

Pope Flynn, LLC
Columbia, South Carolina

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the Town, an engineering report prepared by Engineering Management, Inc., The Depository Trust Company, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

The Preliminary Official Statement has been “deemed final” by the Town within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Act of 1934, as amended.

The Series 2025 Bonds are not registered under the Securities Act of 1933, as amended, or any state securities laws and are not listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency has or will pass upon the accuracy, completeness or adequacy of this Official Statement. The Bond Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such act.

The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Series 2025 Bonds. All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. All estimates and assumptions contained herein are believed to be reasonable, but no representation is made that such estimates or assumptions are correct or will be realized.

Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation

of an offer to buy nor shall there be any sales of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Series 2025 Bonds or the advisability of investing in the Series 2025 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “**BOND INSURANCE**” and “**EXHIBIT F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY**”.

**Cautionary Statements Regarding
Forward-Looking Statements in
This Official Statement**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” or similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE TOWN DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

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OFFICIAL STATEMENT
of the
TOWN OF BRASELTON, GEORGIA
relating to its
\$47,700,000*
WATER AND SEWERAGE REVENUE BONDS,
SERIES 2025

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Town of Braselton, Georgia of (a) \$47,700,000* in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2025 (the “Series 2025 Bonds”).

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement including the Appendices hereto.

The Town

The Town of Braselton (the “Town”), the issuer of the Series 2025 Bonds, is a municipal corporation of the State of Georgia, incorporated by an Act of the General Assembly of the State of Georgia in 1916. The Town is located in the northeastern portion of the State of Georgia approximately 38 miles northeast of Atlanta, Georgia and 20 miles northwest of Athens, Georgia. For more complete information, see “**THE TOWN**” herein.

Purpose of the Series 2025 Bonds

The proceeds of the Series 2025 Bonds will be used, together with certain other funds of the Town, to (i) refund a portion of \$9,515,000 in original aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2015A (the “Refunded Obligations”), (ii) finance or refinance certain additions, improvements and expansions to the hereinafter described System (the “2025 Project”), (iii) pay capitalized interest on the Series 2025 Bonds, (iv) purchase a municipal bond insurance policy relating to the Series 2025 Bonds (the “Policy”) to be issued by Build America Mutual Assurance Company (“BAM”), and (v) finance all or a portion of the costs of issuance of the Series 2025 Bonds. For more complete information, see “**PLAN OF FINANCING**” herein.

* As used throughout this Preliminary Official Statement, an “*” denotes items that are preliminary and subject to change.

The System

The Town owns and operates a water supply, treatment, and distribution system and a sanitary sewer treatment and collection system (the “System”). For more complete information, see “**THE SYSTEM**” herein.

Security and Sources of Payment for the Series 2025 Bonds

The Series 2025 Bonds are special limited obligations of the Town payable solely from and secured by a first priority parity pledge of and lien on revenues derived by the Town from the ownership and operation of the System, remaining after the payment of expenses of operating, maintaining, and repairing the System (the “Net Revenues”). The Town has previously issued the Refunded Obligations and \$23,900,000 in original aggregate principal amount Town of Braselton, Georgia Water and Sewerage Refunding Revenue Bonds, Series 2020 (Forward Purchase) (the “Existing Bonds”).

After the issuance of the Series 2025 Bonds and the refunding of the Refunded Obligations, the Existing Bonds will be outstanding in the aggregate principal amount of \$17,945,000 and are payable solely from and secured by a first priority parity pledge of and lien on the Net Revenues. The Series 2025 Bonds will be equally and ratably secured on a parity basis with the outstanding Existing Bonds and with any additional revenue bonds of the Town hereafter issued on a parity basis with the Existing Bonds and the Series 2025 Bonds. The Existing Bonds, the Series 2025 Bonds, and any additional revenue bonds of the Town hereafter issued on a parity basis are collectively referred to as the “Bonds” in this Official Statement.

THE SERIES 2025 BONDS DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE TOWN OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE TOWN. NO GOVERNMENTAL ENTITY, INCLUDING THE TOWN, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS. NO RECOURSE MAY BE HAD AGAINST THE GENERAL FUND OF THE TOWN FOR THE PAYMENT OF THE SERIES 2025 BONDS.

For more complete information, see “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS**” herein.

The scheduled payment of the principal of and interest on the Series 2025 Bonds will be guaranteed under the Policy to be issued concurrently with the delivery of the Series 2025 Bonds by BAM. See “**BOND INSURANCE.**” For a form of the Policy, see “**APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY.**”

Description of the Series 2025 Bonds

Redemption Prior to Maturity. The Series 2025 Bonds are subject to optional and mandatory redemption prior to maturity. For more complete information, see “**THE SERIES 2025 BONDS - Redemption**” herein.

Denominations. The Series 2025 Bonds are issuable in denominations of \$5,000 and integral multiples thereof.

Book-Entry Bonds. The Series 2025 Bonds will be issued as fully registered certificates in the denomination of one certificate per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company

(“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Series 2025 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2025 Bonds purchased. Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered certificates of like principal amount and maturity in authorized denominations. For more complete information, see **“THE SERIES 2025 BONDS - Book-Entry Only System”** herein.

Payments. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2025 Bonds, payments of the principal of, premium, if any, and interest on the Series 2025 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Series 2025 Bonds.

For a more complete description of the Series 2025 Bonds, see **“THE SERIES 2025 BONDS”** herein.

Tax Exemption

See **APPENDIX D** hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2025 Bonds. For a discussion of such opinion and certain other tax consequences of owning the Series 2025 Bonds, including certain exceptions to the exclusion of the interest on the Series 2025 Bonds from gross income, see **“TAX STATUS”** herein.

Professionals Involved in the Offering

Certain legal matters pertaining to the Town and its authorization and issuance of the Series 2025 Bonds are subject to the approving opinion of Holland & Knight LLP, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2025 Bonds, and a copy of the proposed form of such opinion is attached hereto as **APPENDIX D**. Certain legal matters will be passed on for the Town by its counsel, Chandler, Britt & Jay, LLC, Buford, Georgia, and by its disclosure counsel, Holland & Knight LLP.

The basic financial statements of the Town as of June 30, 2024, and for the year then ended (which includes the financial statements of the System), attached hereto as part of **APPENDIX A**, have been audited by McNair McLemore Middlebrooks & Co., Macon, Georgia, independent certified public accountants, to the extent and for the period indicated in their report thereon which appears in **APPENDIX A** hereto.

Engineering Management, Inc. (the “Engineer”) has prepared an Engineering Report on Expansion and Improvements to the Sanitary Sewerage Facilities for the Town of Braselton, Georgia, dated September 1, 2025 (the “Engineer’s Report”), pursuant to the requirements of Article IV, Section 11(7) of the 2003 Ordinance, a copy of which is included as **APPENDIX B** hereto. The Engineer’s Report should be carefully reviewed in its entirety. Projections in the Engineer’s Report are based upon the assumptions contained therein, including, without limitation, assumptions regarding debt service payments on the Series 2025 Bonds.

See **“MISCELLANEOUS - Independent Professionals”** herein.

Authority for Issuance

The Series 2025 Bonds are issued pursuant to the Constitution and laws of the State of Georgia and under the provisions of an ordinance adopted by the Town Council of the Town on August 4, 2003, as ratified, reaffirmed, supplemented, and amended by ordinances adopted by the Town Council of the Town on December 17, 2003, December 3, 2009, December 21, 2009, March 14, 2012, May 7, 2015, October 30, 2019, November 20, 2019, and September 25, 2025* (as supplemented, the “Bond Ordinance”). For more complete information, see **“THE SERIES 2025 BONDS - Authority for Issuance”** herein.

Offering and Delivery of the Series 2025 Bonds

The Series 2025 Bonds are offered when, as, and if issued by the Town and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2025 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York on or about October 23, 2025*.

Continuing Disclosure

The Town has covenanted for the benefit of the owners of the Series 2025 Bonds in a Continuing Disclosure Agreement (the “Disclosure Agreement”) to comply with certain covenants in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”). The Town has a Disclosure Dissemination Agent Agreement (“DDAA”) with Digital Assurance Certification, L.L.C. (“DAC”), under which the Town has designated DAC its Disclosure Dissemination Agent. See **“MISCELLANEOUS - Continuing Disclosure”** herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Town, the System, the Series 2025 Bonds, Bond Ordinance and the security and sources of payment for the Series 2025 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Ordinance and other documents are intended as summaries only and are qualified in their entirety by reference to such provisions, statutes, and documents; additionally, references herein to the Series 2025 Bonds are qualified in their entirety to the form thereof included in the Bond Ordinance. Copies of the Bond Ordinance and other documents and information are available upon request, and upon payment to the Town of a charge for copying, mailing and handling, from Town of Braselton, Georgia, P.O. Box 306, Braselton, Georgia 30517, telephone: (706) 654-3915. During the period of the offering of the Series 2025 Bonds, copies of such documents are available upon request and upon payment of a charge for copying, mailing, and handling from Stifel, Nicolaus & Company, Incorporated, 3630 Peachtree Road NW, Suite 400, Atlanta, Georgia 30326; telephone: (404) 504-2760.

PLAN OF FINANCING

Estimated Sources and Uses of Funds

The proceeds of the sale of the Series 2025 Bonds will be used to (i) refund the Refunded Obligations, (ii) pay the costs of the 2025 Project, (iii) pay capitalized interest on the Series 2025 Bonds during the period of construction of the 2025 Project, (iv) purchase the Policy to be issued by BAM, and

(v) pay certain costs of issuing the Series 2025 Bonds. The sources and uses of funds in connection with the issuance of the Series 2025 Bonds are estimated below.

Sources of Funds*:

Proceeds of Series 2025 Bonds	
Par Amount	\$[_____]
[Plus/Minus] Net Original Issue	[_____]
[Premium/Discount]	[_____]
Contribution from Sinking Fund	[_____]
Total Sources of Funds:	[_____]

Uses of Funds*:

Deposit to Sinking Fund to redeem	
Refunded Obligations	\$[_____]
2025 Project Costs	[_____]
Capitalized Interest	[_____]
Costs of Issuance ¹	[_____]
Total Uses of Funds:	[_____]

¹ Includes Underwriter's Discount, legal, ratings, printing services, validation costs and miscellaneous transaction costs.

2025 Project Description

A portion of the proceeds of the Series 2025 Bonds will be used to finance or refinance certain additions, extensions and improvements to the System. The 2025 Project consists of (i) expansion and improvement of the existing water reclamation facility and (ii) disinfection of the Town's final effluent from chlorination- de-chlorination to ultraviolet (UV) disinfection. The Town received a \$5.6 million loan from the Georgia Environmental Finance Authority ("GEFA"), which will be used to pay for a portion of the first phase of the 2025 Project. Construction funded with this loan is expected to be completed at the end of calendar year 2026. At such time, this loan will go into its repayment phase. The loan carries a twenty-year term and an interest rate of 1.63% and is not secured by a lien on the Net Revenues of the System. For a more complete discussion of the 2025 Project, see "The Proposed Project" in the Engineer's Report, attached hereto as **APPENDIX B**.

Refunding Plan

The Refunded Obligations were issued pursuant to the Bond Ordinance to refund previous obligations issued by the Town to finance extensions, additions and improvements to the System. The Refunded Obligations are currently outstanding in an amount equal to \$8,985,000. A portion of the proceeds from the sale of the Series 2025 Bonds in an amount equal to \$5,884,062.80* will be used to refund \$5,810,000* of the Refunded Obligations maturing on July 1, 2027*, to and including July 1, 2036*, on October 27, 2025* (the "Redemption Date"). Such proceeds of the sale of the Series 2025 Bonds will be deposited with U.S. Bank Trust Company, National Association, as paying agent for the Series 2025 Bonds, for credit to the Debt Service Account of the Sinking Fund created under the Bond Ordinance and used, together with other available funds (including a portion of the moneys on deposit in the Debt Service Account) to refund the Series 2025 Bonds on the Redemption Date.

THE SERIES 2025 BONDS

Description

The Series 2025 Bonds will be dated as of their date of issuance and will bear interest at the rates set forth on the cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months, payable January 1, 2026*, and semiannually thereafter on January 1 and July 1 of each year to the registered owner as shown on the books and records of U.S. Bank Trust Company, National Association, Atlanta, Georgia, as Paying Agent and Bond Registrar (in such capacities, the “Paying Agent” or the “Bond Registrar”) as of the close of business on the 15th day of the calendar months next preceding such January 1 and July 1. The Series 2025 Bonds will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2025 Bonds are issuable only as fully registered bonds, without coupons, in any authorized denomination. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form and purchasers will not receive certificates representing interests in the Series 2025 Bonds so purchased. If the book-entry system is discontinued, Series 2025 Bonds will be delivered as described in the Bond Ordinance, and beneficial owners of the Series 2025 Bonds will become the registered owners of the Series 2025 Bonds. See “**THE SERIES 2025 BONDS - Book-Entry Only System**” herein.

Redemption

Optional Redemption - Series 2025 Bonds

The Series 2025 Bonds maturing on and after July 1, []* may be redeemed at the direction of the Town in whole or in part at any time on or after July 1, []*, from any moneys which may be available for such purpose and deposited with the Paying Agent on or before the date fixed for redemption. The optional redemption of Series 2025 Bonds shall be made by the payment of the principal amount of the Series 2025 Bonds to be redeemed and accrued interest thereon to date of redemption, with no redemption premium applicable thereto. If the Series 2025 Bonds are called for optional redemption in part, then any Series 2025 Bonds so called for redemption shall be called in such maturities as may be specified by the Town and if less than a full maturity by lot or in such other manner as may be designated by the Bond Registrar.

Redemption Notices

Notice of any redemption of the Series 2025 Bonds, designating the Series 2025 Bonds to be redeemed, will be mailed, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to all registered owners of the Series 2025 Bonds to be redeemed (in whole or in part) at addresses which appear upon the bond registration book. Failure to mail any such notice of redemption of the Series 2025 Bonds or any defect therein will not affect the validity of the proceedings for such redemption or cause the interest to continue to accrue on the principal amount of such Series 2025 Bonds so designated for redemption after the redemption date. Book-Entry Only System.

Book-Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond will be issued for each maturity

of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, or the Paying Agent or Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Town or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bonds are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The Town takes no responsibility for the accuracy or completeness thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE SERIES 2025 BONDS, THE TOWN AND THE PAYING AGENT WILL TREAT CEDE & CO. AS THE ONLY OWNER OF THE SERIES 2025 BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL DISTRIBUTIONS ON THE SERIES 2025 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TOWN OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE. NEITHER THE TOWN NOR THE PAYING AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2025 BONDS; (B) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE DISTRIBUTIONS ON THE SERIES 2025 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS OF THE SERIES 2025 BONDS

INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF PREPAYMENT; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER.

Beneficial Owners of the Series 2025 Bonds may experience some delay in their receipt of distributions of principal and interest on the Series 2025 Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

Issuance of the Series 2025 Bonds in book-entry form may reduce the liquidity of the Series 2025 Bonds in the secondary trading market since investors may be unwilling to purchase Series 2025 Bonds for which they cannot obtain physical certificates. In addition, since transactions in the Series 2025 Bonds can be effected only through DTC, Direct Participants, Indirect Participants, and certain banks, the ability of a Beneficial Owner to pledge Series 2025 Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Series 2025 Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Paying Agent as registered owners for purposes of the Bond Ordinance, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

Authority for Issuance

Paragraph I of Section VI of Article IX of the Constitution of the State of Georgia authorizes any municipality to issue revenue bonds as provided by general law and provides (1) that the obligation represented by revenue bonds shall be repayable only out of the revenue derived from the project and shall not be deemed to be a debt of the issuing municipality and (2) that no issuing municipality shall exercise the power of taxation for the purpose of paying any part of the principal or interest of any such revenue bonds.

The Series 2025 Bonds are being issued and secured pursuant to the authority granted by (i) the Charter of the Town and (ii) Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the “Revenue Bond Law” (the “Revenue Bond Law”).

The Series 2025 Bonds are being issued under the provisions of the Bond Ordinance.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

Pledge of Net Revenues

Under the terms of the Bond Ordinance, the Series 2025 Bonds, the Existing Bonds (but not including the Refunded Obligations after giving effect to the issuance of the Series 2025 Bonds and the refunding of the Refunded Obligations) and any additional parity bonds issued in accordance with the Bond Ordinance are secured on a parity basis by a pledge of and lien on the Net Revenues of the System.

The Town has covenanted in the Bond Ordinance that it will not create or permit to be created in the operation and maintenance of the System any charge, lien, or encumbrance on the System or upon the Net Revenues ranking prior to or (except as provided in the Bond Ordinance with respect to the issuance of parity bonds) equally with the lien or charge upon such Net Revenues. The Town has also made certain covenants in the Bond Ordinance concerning the sale or disposition of the System, insurance on the System, and the books and records relating to the System, which are described in “**SUMMARY OF THE**

BOND ORDINANCE - Disposition of Property; Encumbrances, - Insurance; Bonding of Employees, and - Accounts and Reports” in APPENDIX C to this Official Statement.

Under the terms of the Bond Ordinance, the Series 2025 Bonds will be equally and ratably secured on a parity basis with the Existing Bonds, which, after the issuance of the Series 2025 Bonds and the refunding of the Refunded Obligations, will be outstanding in the aggregate principal amount of \$19,245,000*.

Funds Created By the Bond Ordinance and Flow of Funds

The Bond Ordinance creates and requires the Town to maintain the following funds:

- (1) The “Town of Braselton Water and Sewerage System Revenue Fund” (the “Revenue Fund”), currently held by Northeast Georgia Bank, Braselton, Georgia.
- (2) The “Town of Braselton Water and Sewerage System Sinking Fund” (the “Sinking Fund”), currently held by U.S. Bank Trust Company, National Association, Atlanta, Georgia, and therein the Debt Service Account, the Reserve Account (which account does not secure the Series 2025 Bonds or any additional parity bonds issued after the Series 2025 Bonds) and the Series 2025 Capitalized Interest Account.
- (3) The “Town of Braselton Water and Sewerage System Renewal and Extension Fund” (the “Renewal and Extension Fund”), to be held by the Town separate and apart from its other funds with the depository appointed by the Town pursuant to the Bond Ordinance (currently Northeast Georgia Bank, Braselton, Georgia).

In addition, the Bond Ordinance creates the “Town of Braselton Water and Sewerage System Construction Fund” (the “Construction Fund”), currently held by U.S. Bank Trust Company, National Association, Atlanta, Georgia.

Revenue Fund

Pursuant to the Bond Ordinance, the Town has agreed that all revenues arising from the operation of the System will be collected by the Town or by its agents or employees and deposited promptly into the Revenue Fund. The Bond Ordinance provides that moneys in the Revenue Fund will be used first to pay the reasonable and necessary cost of operating, maintaining, and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, proper charges for materials and services provided by other departments of the Town, and such other charges as may properly be made for the purpose of operating, maintaining, and repairing said System in accordance with sound business practice, but before making provision for depreciation and amortization.

Sinking Fund

Debt Service Account. The Bond Ordinance provides that, after making the payments of operating costs from the Revenue Fund described above, there shall next be made such payments as may be required to be made out of net revenues of the System to deposit in the Debt Service Account (i) on or before December 10th, 2025, an amount equal to the interest on the Series 2025 Bonds coming due on January 1, 2026 (but only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose), (ii) commencing with the month of January 2026, beginning on or prior to the 10th day of January and continuing monthly

thereafter on or prior to the 10th day of each month, an amount equal to 1/6th of the interest on and 1/6th of the principal of the Series 2025 Bonds coming due on July 1, 2026 (but with respect to the interest on the Series 2025 Bonds, only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose), and an amount equal to 1/6th of the interest on and 1/12th of the principal of the outstanding Existing Bonds coming due on July 1, 2026 and (iii) commencing with the month of July, 2026, beginning on or prior to the 10th day of July and continuing monthly thereafter on or prior to the 10th day of each month, an amount equal to 1/6th of the interest on the outstanding Existing Bonds and the Series 2025 Bonds coming due on the next ensuing interest payment date (but with respect to the Series 2025 Bonds, only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose) and 1/12th of the principal of the outstanding Existing Bonds and the Series 2025 Bonds coming due on the next ensuing principal payment date with respect to each such series, whether by maturity or by proceedings for mandatory sinking fund redemption, and such aggregate monthly payments shall continue from month to month until sufficient funds are on hand in the Sinking Fund to pay the principal of and interest on all of the outstanding Existing Bonds and the Series 2025 Bonds as same become due and payable either at maturity or by proceedings for mandatory redemption and the interest that will become due and payable thereon.

Construction Fund.

Pursuant to the Bond Ordinance, the Town has created a special fund held by U.S. Bank Trust Company, National Association (the “Construction Fund Custodian”), the monies in which will be used by the Town in accordance with the Bond Ordinance to pay for the costs of the acquisition, construction and equipping of the 2025 Project. Any funds remaining on deposit in such fund after the payment of such costs will be transferred by the Construction Fund Custodian to the Debt Service Account of the Sinking Fund and used to pay the principal of and interest on the Bonds when due. For a more complete description of the Construction Fund, see “**SUMMARY OF THE BOND ORDINANCE - Revenues and Funds**” in **APPENDIX C** hereto.

Junior Lien Obligations

The Bond Ordinance provides that there must next be paid from the Revenue Fund, such payments as may be required to be made out of the Net Revenues of the System to repay junior lien obligations, including, but not limited to any loans made by the Georgia Environmental Finance Authority and the State Revolving Fund and any and all existing loans having a subordinate lien on the Net Revenues of the System.

For information regarding outstanding notes of the System payable to the Georgia Environmental Finance Authority, see “**SYSTEM FINANCIAL INFORMATION - Historical Balance Sheet Data**” herein. These notes are general obligations of the Town to which its full faith and credit and taxing power are pledged. Although the Town intends to repay these notes from revenues of the System, the notes are not secured by any lien on the revenues of the System.

Renewal and Extension Fund

The Bond Ordinance provides that there must next be paid from the Revenue Fund at the end of each month, to the Renewal and Extension Fund all remaining monies except for a reasonable working capital reserve in an amount not to exceed 45 days estimated operating and maintenance costs. Expenditures may be made from the Renewal and Extension Fund only for (i) paying principal of and interest on all revenue bonds payable from revenues of the System then outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment thereof;

(ii) an emergency having a major effect on the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency; (iii) payment of the charges of the depository for investment services; (iv) making and planning for replacements, additions, extensions, and improvements to the System; (v) acquiring bonds in the open market at a price less than or equal to the redemption price.

The gross revenues derived by the Town from the ownership and operation of the System may be used only in accordance with the provisions of the Bond Ordinance described above and, except as described above, may not be transferred to either the General Fund or any other fund of the Town.

For a more complete description of the funds created by the Bond Ordinance and the flow of funds, see **“SUMMARY OF THE BOND ORDINANCE - Revenues and Funds”** in **APPENDIX C** hereto.

Rate Covenant

The Town has covenanted in the Bond Ordinance to at all times maintain rates, fees, and charges for the services, facilities, and commodities furnished by the System to produce funds sufficient at all times to: (i) maintain and operate the System on a sound businesslike basis; (ii) create and maintain the Sinking Fund in the amounts required; and (iii) create and maintain the Renewal and Extension Fund in the amounts and in the manner described above.

In addition, the Town has covenanted in the Bond Ordinance to maintain rates, fees, and charges sufficient to produce annually revenues remaining after payment of operating and maintenance costs of the System equal to not less than the sum of (i) 1.15 times the amounts then required to be paid into the Sinking Fund to pay principal of and interest on the Bonds in the then-current sinking fund year and (ii) 1.00 times the amount required annually to be paid into the Sinking Fund to create and maintain the reserves therein relating solely to the Existing Bonds, plus the amount required to pay the current principal and interest of any debt of the System subordinate to the Bonds. In the event that at any time the Net Revenues are not being maintained at such minimum level, the governing body of the Town is required to instruct its consulting engineers to make an appropriate study and recommend a schedule of rates, fees, and charges deemed to be sufficient to meet these requirements.

Parity and Subordinate Bonds

Upon satisfaction of certain conditions, the Bond Ordinance permits the Town, for specified purposes, to issue additional revenue bonds without express limit as to principal amount, which will be equally and ratably secured on a parity basis with the Existing Bonds and the Series 2025 Bonds under the Bond Ordinance. See **“SUMMARY OF THE BOND ORDINANCE - Additional Bonds”** in **APPENDIX C** hereto. The Bond Ordinance also allows the Town to issue obligations secured by the Net Revenues which are junior and subordinate to the Bonds as to lien and right of payment. Under the terms of the Bond Ordinance, should revenue bonds be issued ranking as to lien on the Net Revenues of the System junior and subordinate to the lien securing the payment of the Bonds, then payments to the Renewal and Extension Fund may be suspended and such money will be available to the extent necessary to pay the principal of and interest on such junior lien bonds and to fund the creation and maintenance of a reasonable reserve therefor, if required.

Limited Obligations

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM. THE SERIES 2025 BONDS DO NOT AND WILL NOT CONSTITUTE A DEBT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION OR RESTRICTION OR A GENERAL OBLIGATION OF THE TOWN OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE TOWN. NO GOVERNMENTAL ENTITY, INCLUDING THE TOWN, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2025 BONDS. NO RECOURSE MAY BE HAD AGAINST THE GENERAL FUND OR ANY OTHER PROPERTY OF THE TOWN FOR THE PAYMENT OF THE SERIES 2025 BONDS.

Enforceability of Remedies

The Bond Ordinance grants a first priority lien on the Net Revenues of the System. The realization of the value from the pledge of the Net Revenues upon any default in the payment of the principal of or interest on the Series 2025 Bonds will depend upon the exercise of various remedies specified under the laws of the State of Georgia. Under the Revenue Bond Law, upon default by the Town in the payment of the Series 2025 Bonds the holders of the Series 2025 Bonds may apply to the superior court for the appointment of a receiver of the System. The receiver is empowered to operate and manage the System, including collecting all revenues for deposit into a separate account. To the extent that funds of the Town are commingled, general creditors of the Town may have a lien on cash in commingled accounts. The enforceability of rights and remedies with respect to the Series 2025 Bonds may be further limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy reorganization, insolvency, or other laws affecting creditor rights or remedies heretofore or hereafter enacted. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of rights or remedies with respect to the Series 2025 Bonds by bankruptcy, insolvency, laws affecting creditors' rights generally and the application of equitable principles.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$503.3 million, \$258.1 million and \$245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge,

upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website

address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

THE SYSTEM

Introduction

The Revenue Bond Law authorizes the Town to acquire and operate for users within and outside its territorial boundaries systems, plants, works, instrumentalities, and properties (i) used or useful in connection with obtaining a water supply and conserving, treating, and disposing of water for public and private uses and (ii) used or useful in connection with collecting, treating, and disposing of sewage and wastewater. The water and sewer system of the Town consists of a water system and a sewer system operated by the Town on a consolidated basis. The water system was established in 1961 and the sewer system was established in 1975. The System operates as a department of the Town.

Management

The System is administered by the Town through the Town Council. The Town Manager is charged with the responsibility of daily operation and administration of the System.

The Town administers the daily operations of the System through its Public Works Department. The Town Manager oversees the management and coordination of the operations and activities of the Public Works Department. The chief managerial officer of the Public Works Department is the Director, who is appointed by the Town Manager.

Sandy Weinel has been the Director of the Town's Public Works Department since January 2023. Ms. Weinel has most recently served as the town's director of roads and stormwater as well as serving as

the town engineer. After earning a bachelor's degree from the University of South Florida, Ms. Weinel worked as a construction inspector, contract administrator and local government planner. Ms. Weinel holds certifications as a professional engineer, floodplain manager and from the Georgia Soil and Water Conservation Commission. She has worked for the town twice, originally starting in 2018.

System Facilities

Water System

The Town's water system consists of a water supply, treatment, and distribution system.

The Town currently purchases approximately 53% of its water supply, already treated, ready for use and delivered with pressure, from Barrow County and the Jackson County Water-Sewer Authority (the "Jackson Authority"), pursuant to long-term water supply contracts and from Gwinnett County on an informal basis. See "**THE SYSTEM - Water Sources**" herein. The Town's remaining water supply is from raw water that it withdraws from a crystalline rock aquifer. The Town taps the aquifer through five active wells that have an aggregate well-water pumping permit capacity of approximately 1.120 million gallons per day (MGD) monthly average and 0.895 MGD annual average. After pumping raw water from each active well, the water is treated by a chlorination and fluoridation system located at each well site. The Town then pumps treated water to its storage facilities, from which the treated water is then re-pumped throughout the Town's water distribution network.

The Town's five active wells were originally constructed between 1961 and 2012. The condition of these wells and the chlorination and fluoridation systems is good. Two of the active wells were constructed prior to 1990 and remain in service. Two new wells are anticipated to come online during Fiscal Year 2026, which will add approximately 300,000 gallons per day to the Town's supply.

Water storage is provided by two one-million- gallon elevated tanks, one 75,000-gallon tank and one 200,000-gallon elevated tank. These storage tanks were constructed in 1961, 1965, 2000, 2009 and 2012 and are in good condition.

The Town's water distribution network is in very good condition and consists of approximately 762,350 feet of pipelines, ranging in size from 2 inches to 16 inches in diameter. Most of the pipelines are made of ductile iron or polyvinyl chloride (PVC). Approximately 40 percent of the pipelines have been in service for 10 years or more, with the oldest pipelines installed approximately 56 years ago.

The Town also owns six buildings, eight vehicles, and various equipment related to its water system.

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Sewer System

The Town's sewer system consists of a sewage and wastewater treatment and collection system.

The Town owns one wastewater treatment plant, which is described below.

<u>Plant</u>	<u>Rated Treatment Capacity (MGD)</u>	<u>2024¹ Treated Wastewater (MGD)</u>		<u>Date of Original Construction</u>	<u>Dates of Improvements</u>	<u>Receiving Stream/ Disposal Method²</u>
		<u>Average</u>	<u>Maximum</u>			
Braselton	2.54	1.207	1.69	1975	1985,1997, 2002 and 2009	Mulberry River, Land Application, and Reuse Distribution

¹ Fiscal Year.

² Effluent from the plant is discharged to the Mulberry River at two separate discharge locations. Effluent is also reclaimed for irrigation use on golf courses or discharged on dedicated land application sites. The plant also includes a reuse distribution system whereby reuse water is sold to authorized commercial water tank trucks and other commercial customers.

The wastewater treatment facility is in need of improvement and expansion and such work is included as part of the 2025 Project to be financed with the proceeds of the Series 2025 Bonds. The facility has several components that have reached their useful life and are considered obsolete technology. Based on recent projections, the facility will need a treatment capacity with an average of 3.5 MGD by 2045. In addition to the need for increased capacity, the Town is required to continue to maintain a high quality of treated effluent to meet Urban Water Reuse standards as well as Indirect Potable Reuse ("IPR") standards. The System was declared an IPR system by the State of Georgia Environmental Protection Department in late 2024. As a result, the Town was required to perform multiple tests of the wastewater treatment facility effluent as well as downstream in the Mulberry River. The wastewater treatment facility is located on over 92 acres of Town owned land, which is adequate for the proposed expansion as well as anticipated future expansions.

A portion of the proceeds of the Series 2025 Bonds will be used to finance certain improvements and expansions to the wastewater treatment plant, as described under "The Proposed Project" in the Engineer's Report attached hereto as **APPENDIX B**.

The Town's wastewater collection and conveyance system consists of 1,200 manholes, 30 wastewater pumping stations, approximately 20 miles of force main pipelines, and approximately 80 miles of collection sewers that transport primarily sanitary sewage. Approximately 15 percent of the sewer system is drained by gravity, and the remainder requires pumping at least once. The collection and conveyance system uses a combination of 8-inch to 30-inch sewers. Most of the sewers are made of PVC, ductile iron, or vitrified clay. Approximately 18 percent of the sewers have been in service for 25 years or more, with the oldest sewers installed approximately 42 years ago. The collection and conveyance system has standby pumps, a dual feed power supply, and a backup generator. The general condition of the collection and conveyance system is good.

A portion of the proceeds of the Series 2025 Bonds will be used to finance certain improvements and expansions to the wastewater collection and conveyance system, as described under "The Proposed Project" in the Engineer's Report attached hereto as **APPENDIX B**.

Water Sources

General

The Town currently purchases approximately 53% of its water. This water is already treated, ready for use and delivered with pressure, from Barrow County, Georgia and the Jackson Authority pursuant to long-term water supply contracts, and from Gwinnett County on an informal basis. The Town is connected to Barrow County's water distribution system at one location, to the Jackson Authority's water distribution system in two locations, and to Gwinnett County's water distribution system at two locations. The Town expects to produce the remaining 47 percent of the water it sells from raw water that it withdraws from its five active wells. Two new wells are anticipated to come online during Fiscal Year 2026, which will add approximately 300,000 gallons per day to the Town's supply.

Water Purchase Arrangements

Pursuant to a contract with Barrow County, dated June 25, 2013, Barrow County agreed to sell and deliver water to the Town, and the Town agreed to purchase such water, subject to Barrow County's ability to provide the treated water from its entitlement of water produced at the Bear Creek Reservoir and water treatment plant, a regional reservoir serving five northeast Georgia counties. The Town has agreed to purchase a minimum monthly average of 200,000 gallons per day from Barrow County whether used or not for a minimum monthly bill of approximately \$17,640, until June 2033. There are discussions regarding the purchase agreement increasing to 3,000,000 gallons per day in the near future. Barrow County charges the Town for the water it purchases based on a volume charge applied to the monthly usage. The rates are subject to change on an annual basis in accordance changes to the CPI Index. Any additional proposed change in rates is subject to negotiation between Barrow County and the Town. Because of the favorable rates provided by Barrow County, the Town prioritizes its purchases of water from this source. Barrow County is also a partner in the Upper Oconee Basin Authority and will have considerable water for resale to wholesale customers after the related proposed facility expansion. Barrow County has indicated that it is committed to making upgrades to the water infrastructure in the northern section of Barrow County in order to sell additional water to the Town. In order to purchase such additional water, the Town will need to upgrade certain portions of its local infrastructure. Design plans for such improvements are currently underway and the Town expects to use American Rescue Plan Act of 2021 funds and other available moneys of the Town in order to pay for such improvements.

Pursuant to a contract with the Jackson Authority, dated June 13, 2013, the Jackson Authority agreed to sell and deliver to the Town, and the Town agreed to purchase water from the Jackson Authority, subject to the Jackson Authority's ability to provide the treated water from its entitlement of water produced at the Bear Creek Reservoir and water treatment plant. The Jackson Authority charges the Town for the water it purchases based on a tiered volume charge rate schedule applied to the average daily usage each month. The rate charged by the Jackson Authority ranges from \$2.95 per 1,000 gallons (provided the Town purchases a minimum monthly average of 0.5 MGD) to a maximum of \$3.25 per 1,000 gallons (for usage less than a monthly average of 0.5 MGD). The maximum purchase limit under the existing contract is a monthly average of 1.0 MGD. Any additional proposed change is subject to negotiation between the Jackson Authority and the Town. The contract provides that it will remain in effect for eighteen months. Upon expiration of the current contract in 2025 the Town intends to renegotiate the contract.

The Town also purchases water from Gwinnett County on an informal basis. The Town currently purchases very little water from Gwinnett County except during summer months.

Set forth below is a summary of water purchases by the Town from its suppliers for the past five fiscal years of the Town.

Summary of Water Purchases
(millions of gallons)

<u>Supplier</u>	<u>Years Ended June 30</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Gwinnett County	28.4	29.4	55.5	78.0	207.9
Barrow County	-	-	-	45.4	68.6
Jackson Authority	<u>391.2</u>	<u>366.5</u>	<u>361.3</u>	<u>337.7</u>	<u>280.3</u>
Total	419.6	395.9	416.8	461.1	553.8

¹ Unaudited.

Set forth below are the current wholesale water rates charged by the Town's water suppliers.

Wholesale Water Rates (Per 1,000 Gallons)

<u>Gwinnett County</u>	<u>Barrow County</u>	<u>Jackson Authority</u>
\$5.78	\$3.087	\$2.95

The amounts paid by the Town to its suppliers for water purchased by the Town for the Town's past five fiscal years are set forth below.

<u>Fiscal Year</u>	<u>Gwinnett County</u>	<u>Barrow County</u>	<u>Jackson Authority</u>	<u>Total</u>
2021	\$145,538	\$-	\$919,419	\$1,094,957
2022	158,091	-	861,153	1,019,244
2023	299,805	-	1,043,218	1,343,023
2024	447,938	127,139	996,324	1,571,401
2025 ¹	1,161,008	259,220	830,873	2,251,839

¹ Unaudited.

Service Area

The System supplies water to residential, commercial, and industrial customers located within the Town's corporate limits and located in certain areas of unincorporated Jackson, Barrow, and Gwinnett Counties adjacent to the Town. The System currently supplies water to a geographic area of approximately 144 square miles containing an estimated population in excess of 14,000. The System also supplies water on an emergency basis to the Jackson Authority's water system and the City of Hoschton's water system. The System provides sewer services to residential, commercial, and industrial customers located within the Town's corporate limits and located in certain areas of unincorporated Jackson, Barrow, Gwinnett, and Hall Counties adjacent to the Town. The System currently provides sewer services to a geographic area of approximately 80 square miles containing an estimated population in excess of 10,000. The System has the exclusive right to provide water and sewer service within the Town's corporate limits and the exclusive right to provide water and sewer service in certain designated areas in the unincorporated areas of Jackson, Barrow, Gwinnett, and Hall Counties, each subject to change in accordance with the State of Georgia Service Delivery Act of 1997. Jackson, Barrow, Gwinnett, and Hall

Counties, as well as several municipalities located in these counties, also operate a water and sewer systems in certain designated areas of the unincorporated areas of each of those counties, respectively, which could in the future compete with the System based on negotiated service delivery agreements. At the present time, however, only the City of Gainesville serves any areas served by the System.

Customers

Water System

Set forth below is information concerning the demand for water from the System for its past five fiscal years.

Water Demand

	Years Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Average Daily (MGD)	1.6	1.73	1.72	1.85	2.10
Maximum Daily (MGD) ²	1.85	2.39	2.39	3.1	3.01

¹ Unaudited.

² Based on maximum daily demand in the month with the highest demand.

Set forth below is the number of active water customers of the System by customer class as of the dates shown.

	As of June 30				
<u>Customer Class</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Residential	4304	4550	6353	6855	7,441
Commercial and Industrial	<u>1761</u>	<u>1769</u>	<u>303</u>	<u>319</u>	<u>346</u>
Totals	6065	6319	6656	7174	7,787

¹ Unaudited

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Number of Water Customers

Set forth below is information concerning the ten largest water customers of the System for the period for the fiscal year ending June 30, 2025. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

Ten Largest Water Customers

<u>Customer</u> ¹	<u>Water Charges</u>	<u>Percentage of Total Water Charges</u>
City of Hoschton, Georgia	\$307,543	4.11%
Chateau Elan Winery & Resort	261,666	3.50
Uline Inc.	167,525	2.24
Trilogy Foods LLC	140,696	1.88
D.R. Horton Inc.	57,523	0.77
Yes Energy	44,353	0.59
Mainstreet Braselton Apartments	41,186	0.55
Woodlands at Chateau Elan Owners Association Inc.	38,278	0.51
Speedway SuperAmerica #195 – Pilot Travel Centers	32,201	0.43
Duke Realty	31,940	0.43
Total	<u>\$1,122,911</u>	<u>15.01%</u>

¹ Customers are located within the Town limits.

² Based on total water charges to customers of \$7,486,217 for the period. Amounts do not include penalty charges or take into account the amount of revenue actually collected from customers.

Sewer System

Set forth below is information concerning the demand for sewer service from the System for its past five fiscal years.

Treated Wastewater Flow

	<u>Years Ended June 30</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> ¹
Average Daily (MGD)	0.88	1.00	1.05	1.51	1.24
Maximum Daily (MGD) ²	1.20	1.20	1.60	1.70	1.36

¹ Unaudited.

² Based on maximum daily demand in the month with the highest demand.

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Set forth below is the number of active sewer customers of the System by customer class as of the dates shown.

<u>Customer Class</u>	<u>Number of Sewer Customers</u>				
	As of June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Residential	4015	4257	4690	5171	5,738
Commercial and Industrial	<u>289</u>	<u>287</u>	<u>180</u>	<u>186</u>	<u>200</u>
Totals	<u>4304</u>	<u>4544</u>	<u>4870</u>	<u>5357</u>	<u>5,938</u>

¹ Unaudited

Set forth below is information concerning the ten largest sewer customers of the System for the fiscal year ending June 30, 2025. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

<u>Ten Largest Sewer Customers</u>		
<u>Customer¹</u>	<u>Sewer Charges</u>	<u>Percentage of Total Sewer Charges²</u>
City of Oakwood, Georgia	\$383,584	7.45%
Chateau Elan Winery & Resort	199,393	3.87
Trilogy Foods LLC	159,503	3.10
D.R. Horton Inc.	58,752	1.14
Yes Energy	37,056	0.72
Speedway SuperAmerica #195 – Pilot Travel Centers	36,032	0.70
Braselton Express Wash	33,440	0.65
Holiday Inn Express & Suites	29,063	0.56
Mainstreet Braselton Apartments	28,591	0.56
The William Carter Company	<u>25,890</u>	<u>0.50</u>
Total	<u>\$991,304</u>	<u>19.25%</u>

¹ Customers are located within the Town limits.

² Based on total sewer charges to customers of \$5,149,781 for the period. Charge values do not include penalty charges or take into account the amount of revenue actually collected from customers.

Rates, Fees, and Charges

Monthly service charges for water and sewer services generally consist of a monthly minimum charge based upon the size of a customer's water meter plus a volume charge applied to the monthly water consumption. In addition, connection fees varying by water meter size are charged to new customers connecting to the System.

The water and sewer rates to all customers within each class of service within the Town are uniform. The water and sewer rates are also uniform among customers within each class of service outside the Town, but are higher than rates charged to customers within the Town. Other than water service provided for fire hydrants and fire sprinklers, the Town does not provide any free water or sewer service.

The Town has adjusted its water and sewer rates as of January 1 of each year since January 1, 2006, except for 2010 and 2012. The most recent rate increase was implemented in January, 2025. Residential and commercial retail water rates are based on a base meter charge followed by volumetric tiered rates. Reuse water has a separate rate system, shown at the end of this section.

Current Monthly Minimum Charges on Meters for Residential Water Service

<u>Meter Size</u>	<u>Minimum Charge</u>	
	<u>Inside Town</u>	<u>Outside Town</u>
3/4"	\$27.53	\$41.26
1"	\$45.84	\$68.76
1-1/4" or 1-1/2"	\$91.69	\$137.52
2"	\$148.98	\$223.47
3"	\$286.52	\$429.74
4"	\$458.40	\$687.59
6"	\$916.79	\$1,375.22
8"	\$1,466.88	\$2,200.34
10"	\$3,107.98	\$4,661.97

Current Monthly Minimum Charges on Meters for Commercial Water Service

<u>Meter Size</u>	<u>Minimum Charge</u>
3/4"	\$28.65
1"	\$38.96
1-1/4" or 1-1/2"	\$57.30
2"	\$77.94
3"	\$114.60
4"	\$153.58
6"	\$229.20
8"	\$304.83
10"	\$382.75

Volumetric Tiers

<u>Volume</u>	<u>Rate Charge</u> (per 1,000 gallons)
0-2,000 gallons	Minimum (see above)
2,001-5,000 gallons	\$8.25
>10,000 gallons	\$9.86

Reuse Water

<u>Volume</u>	<u>Rate Charge</u> (per 1,000 gallons)
0-2,000 gallons	\$6.62
Over 2,000 gallons	\$1.10

Water Connection, Meter, and Tap Fees

<u>Meter Size</u>	<u>Connection Fees¹</u>	<u>Meter Fees</u>	<u>Tap Fees</u>
¾"	\$1,430.00	\$360.00	\$752.00
1"	2,390.00	540.00	875.00
2"	7,620.00	2,200.00	2,970.00
3"	15,260.00	*	*
4"	23,840.00	*	*
6"	47,660.00	*	*
8"	76,260.00	*	*
10'	161,590.00	*	*

¹ The Town also charges an administrative fee of \$35 at the time of each new connection.

* Notes: Tap fees and meter fees (if installed by the Town) are to be based on actual costs of materials, labor, etc. at the time of installation. Totals can vary depending upon the amount of services provided by the Town. Tap fees are added to the total if the Town actually performs the tap.

Monthly Residential Sewer Service Rates (Based on Water Consumption)

<u>Effective Period (Inside Town Limits)</u>	<u>2,000 or Less</u>	<u>2,001 to 5,000</u>	<u>5,001 gallons and above</u>
Fiscal Year Ended June 30, 2025	25.22	9.19	10.09
NOTE: Add \$2.56 to minimum charge for customers on Braselton sewer system but not Braselton water system. Also, remember for Multi-unit development (both Water & Sewer) minimums are generally determined by multiplying the number of units times the 0.75 inch minimum or from the applicable Water or Sewer minimum table, whichever is GREATER.			
<u>Effective Period (Outside Town Limits)</u>	<u>2,000 or Less</u>	<u>2,001 to 5,000</u>	<u>5,001 gallons and above</u>
July 1, 2023 to June 30, 2025	37.84	9.19	10.09
<u>City of Gainesville (ONLY)</u>	<u>2,000 or Less</u>	<u>2,001 to 5,000</u>	<u>5,001 gallons and above</u>
Fiscal Year Ended June 30, 2025	27.78	8.88	11.77

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Monthly Commercial Sewer Service Rates (Based on Water Consumption) measured in gallons

<u>Effective Period</u>	<u>First 2,000</u>	<u>2,001 to 5,000</u>	<u>Over 5,000</u>
July 1, 2024 to June 30, 2025	Minimum	10.31	11.35

Commercial Sewer Minimums 0 - 2,000 gallons

Meter Size (In Inches)	\$28.65
0.75	\$38.96
1.00	
1.25-1.50	\$57.30
2.00	\$77.94
3.00	\$114.60
4.00	\$153.58
6.00	\$229.20
8.00	\$304.83
10.00	\$382.75

The Town charges industrial and commercial sewer customers a surcharge for disposal of high strength wastewater. Surcharges are \$298 per pound and are based on excessive levels of biological oxygen demand, suspended solids, and oil/grease content.

Sewer tap fees for single-family residences or multi-family residential units are \$3,550 for each customer connection to the System. Sewer tap fees for commercial customers are charged on an individual basis and are equal to \$3,550 for every 300 gallons per day of treatment required by the customer.

The Town charges reuse water customers a monthly minimum charge plus a volume charge applied to monthly reuse water consumption. The current monthly minimum charge is \$6.62 for the first 2,000 gallons plus \$1.10 per thousand gallons over 2,000.

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Set forth below is a comparison of monthly residential water and sewer bills of customers of the System and customers of other retail water and sewerage systems operating in Jackson, Barrow, and Gwinnett Counties or in the surrounding metropolitan Atlanta area, based on posted rates as of July 1, 2025.

<u>Utility</u>	<u>Monthly Residential Water and Sewer Bill¹</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
The System (inside Town) ²	\$62.14	\$62.88	\$125.02
Barrow County	55.20	60.20	115.40
Gwinnett County	42.18	64.08	106.26
Hall County (water served by Gainesville)	47.03	74.85	121.88
Jackson County Water and Sewerage Authority	64.23	82.34	146.57
City of Jefferson	63.05	88.75	151.80
City of Gainesville (inside City)	27.90	60.70	88.60

¹ Based upon meter size of 5/8" x 3/4" using 6,000 gallons of water. Rates effective July 1, 2025.

² The System's volumetric rates for water service outside the Town are the same as inside the Town, however, the base charge outside the Town is currently \$7.29 higher per month for residential customers. Sewer service outside the Town is currently unavailable.

Rate Setting Process

Under Georgia law, the Town has the exclusive authority to establish rates and charges for water and sewer service supplied by the System. The rates charged by the Town for water and sewer service supplied by the System are not subject to review or approval by any federal or state regulatory body. The Town Council establishes the rates, which are subject to change at any time as the Town Council deems advisable. The Town Council adopts rate schedules by ordinance after recommendations from the staff of the System. The staff of the System makes periodic reviews of the rate structure to determine if modifications are needed. The Town has adjusted its water and sewer rates as of January 1 of each year since January 1, 2006, except for 2010 and 2012. The most recent rate increase was implemented in January, 2025. See **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Rate Covenant"** herein for a description of the Town's agreements concerning the rates, fees, and charges for the services, facilities, and commodities to be furnished by the System. No statutory or charter procedures are required as a condition precedent to a change in rates.

Billing and Collection

The Town bills on a monthly basis for water and sewer service. The Town prepares a single bill covering charges for water and sewer service. The Town mails its bills the last week of the month, and payment is due on the business day closest to the 20th day of each month. A 10 percent penalty is added to the bill if payment is not received by the due date. The Town disconnects service following the 35th day of delinquency. To restore service, the customer must pay all overdue amounts in full and pay a reconnection fee of \$50. The System's policy is to write off, as uncollectible, overdue accounts which are more than 18 months old.

Upon application for service, the System requires a \$135 meter deposit from new residential water and sewer customers located inside the Town and \$75 from new residential water customers located outside the Town. The Town refunds the meter deposit upon payment by the customer of all charges on the customer's final bill.

Governmental Approvals and Environmental Regulation

Water Withdrawal

The Georgia Water Quality Control Act authorizes the State of Georgia Department of Natural Resources, Environmental Protection Division (“EPD”), to regulate the withdrawal of water from lakes, streams, and aquifers in Georgia. The Town holds permits for withdrawal of raw water in the following amounts from the following sources:

<u>Raw Water Source</u>	<u>Permitted Withdrawal (MGD)¹</u>		<u>2024² Actual Withdrawal (MGD)</u>	
	<u>Monthly Average</u>	<u>Annual Average</u>	<u>Monthly Average</u>	<u>Annual Average</u>
Crystalline Rock Aquifer (Groundwater)	1.120	0.895	0.511	0.504

¹ GA EPD Groundwater Withdrawal Permit #078-0002 issued April 30, 2009, allows the Town to withdraw groundwater from eight wells in the Crystalline Rock aquifer.

² 12 months January through December 2024.

Water Treatment

EPD also regulates water treatment systems in Georgia. On October 16, 2009, the GA EPD issued the Town the current permit to allow continued operation of its water system¹. The permit authorizes the Town to operate a public water system to distribute the water it purchases from Gwinnett County, Barrow and Jackson County Water & Sewer Authorities, and the water it withdraws from various groundwater wells. The total amount of water produced from the well sources must not exceed the limits imposed by the groundwater withdrawal permit referenced above.

¹ GA EPD Permit to Operate a Public Water System #CP1570000 issued October 16, 2009. Expires, absent any prior revocation or modification, at midnight October 15, 2029.

Wastewater Treatment

The Town’s wastewater operations are subject to the regulatory requirements imposed by the federal Water Pollution Control Act, as amended (the “Clean Water Act”), and the Georgia Water Quality Control Act. The regulatory requirements are administered by the federal Environmental Protection Agency and EPD. EPD has issued to the Town approval to operate its wastewater treatment plant in the following amounts:

<u>Wastewater Treatment Plant</u>	<u>Permit Limit on Flow (Monthly Average MGD)¹</u>	<u>2025² Actual Treatment Flow (Monthly Average MGD)</u>	<u>2025² Peak Treatment Flow (MGD)</u>
Braselton	3.50	2.07	3.00

¹ GA EPD Authorization to Discharge Under The National Pollutant Discharge Elimination System Permit #GA0038857. The Town received its draft permit for expansion from 2.54 MGD to 3.5 MGD on August 22, 2025.

² 12 months July 2024 through June 2025.

National Pollutant Discharge Elimination System (“NPDES”) Permits

Under the Clean Water Act, an NPDES permit is generally required for discharges to surface water and for land application of treated wastewater effluent. Therefore, to comply with federally mandated effluent quality and disposal criteria, the Town must operate its wastewater treatment facilities according to discharge limitations and reporting requirements set forth in NPDES permits. The Town’s

wastewater treatment plant has an NPDES permit allowing discharges to the Mulberry River and on dedicated land application and approved reuse sites. The permit allows the Town to discharge a total of 2.54 MGD monthly average and 3.175 MGD weekly average to the Mulberry River and land application/reuse sites combined. The NPDES permit imposes additional limitations on the rate of application at the land application sites. Currently, the plant does not need to operate at such a level.

State and federal regulations applicable to the Town's wastewater operations deal with, among other issues, the quality of effluent which may be discharged from the Town's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, and the nature of waste material (particularly industrial waste) discharged into the collection system. To comply with federal regulations concerning the industrial discharge of waste materials into the sewer system, the Town must administer and enforce industrial pretreatment limitation standards upon users of the sewer system.

Issues Relating to Noncompliance

The Town is currently in substantial compliance with all of its environmental permits and all environmental requirements applicable to the System.

Employees, Employee Relations, and Labor Organizations

The Town employed 84 persons as of July 1, 2025, all of which are full-time employees. No employees of the Town related to the System are represented by labor organizations or are covered by collective bargaining agreements, and the Town is not aware of any union organizing efforts at the present time. The Town believes that employee relations are good.

The System's management staff, plant operators, and certain maintenance and repair personnel are required to be certified by the State of Georgia. The System has a continuing education program to ensure that its personnel are qualified and able to meet the State of Georgia's certification requirements.

SYSTEM FINANCIAL INFORMATION

Accounting System and Policies

The Town maintains all of its funds and accounts relating to the System separate from other Town funds. The accounting practices and policies of the Town relating to the System conform to generally accepted accounting principles as applied to governments. The System is accounted for as an Enterprise Fund of the Town. Enterprise Funds are used to account for operations (i) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (ii) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The System is accounted for using the accrual basis of accounting. Its revenues are recognized when earned, and its expenses are recognized when incurred.

Note 1 of the audited basic financial statements of the Town included as part of APPENDIX A contains a detailed discussion of the Town's significant accounting policies relating to the System.

Historical Balance Sheet Data

Set forth below is an historical, comparative summary of selected audited balance sheet data of the System as of the end of its past five fiscal years and as of June 30, 2024 and unaudited balance sheet data of the System as of June 30, 2025. The information in the following table has been extracted from audited financial statements of the Town for the years ended June 30, 2020 to 2024 and from unaudited year-end financial statements of the Town for the year ended June 30, 2025. Although the information for the fiscal years ended June 30, 2020 to June 30, 2024 was taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the System as of the end of the years shown. For more complete information, reference is made to the financial statements from which this information was extracted, copies of which are available from the Town upon request.

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Historical Balance Sheet of the System

	Amount Outstanding as of June 30 (Audited)					(Unaudited)
	2020	2021	2022	2023	2024	2025
Current Assets						
Cash	\$4,135,251	\$5,468,594	\$13,709,746	\$13,663,092	\$16,769,588	\$14,223,591
Accounts Receivable	1,154,991	1,547,001	1,830,796	2,291,436	2,218,010	2,845,988
Prepaid Items	57,227	59,317	79,419	76,415	68,378	129,061
Due From Other Funds	---	---	2,339,219	2,808,750	3,515,611	4,596,977
Other Receivable	---	443,264	---	---	---	---
Current Restricted Assets						
Investments	4,451,942	4,117,308	3,566,432	3,687,128	3,886,899	4,073,378
Total Current Assets	5,347,469	11,635,484	21,525,612	22,526,821	26,458,486	25,868,995
Noncurrent Assets						
Capital Assets	---	---	---	---	---	---
Nondepreciable Capital Assets	6,475,336	9,661,407	11,473,891	16,360,494	25,525,718	29,919,799
Depreciable Capital Assets, Net	50,689,122	49,741,159	52,180,973	60,763,217	67,967,568	70,961,962
Total Noncurrent Assets	61,616,400	59,402,566	63,654,864	77,123,711	93,493,286	100,881,762
Total Assets	<u>\$66,963,869</u>	<u>\$71,038,050</u>	<u>\$85,180,476</u>	<u>\$99,650,532</u>	<u>\$119,951,772</u>	<u>\$126,750,757</u>
Deferred Outflows of Resources						
Deferred charges on refunding	922,655	838,118	775,507	712,919	650,368	650,368
Pensions	---	---	77,381	144,600	223,627	223,627
Total Deferred Outflows of Resources	922,655	838,118	852,888	857,519	873,995	873,995
Current Liabilities						
Accounts Payable	571,899	209,970	1,048,114	219,943	2,522,409	3,587,308
Retainage payable	116,525	---	---	---	306,418	297,278
Due to other funds	272,867	---	---	---	---	---
Accrued interest	130,391	20,504	227,018	210,238	193,111	193,111
Unearned revenue	111,378	111,378	---	---	---	---
Compensated Absences payable	49,000	49,900	41,400	45,282	65,822	65,822
Customer Deposits payable	661,877	708,273	751,314	820,367	916,277	1,112,250
Notes Payable, Current	246,851	278,406	255,631	396,930	400,183	389,347
Bonds Payable, Current	1,270,000	1,690,000	1,715,000	1,765,000	1,780,000	1,810,000
Total Current Liabilities	3,430,788	3,068,431	4,038,477	3,457,760	6,184,220	7,455,114
Noncurrent Liabilities						
Compensated Absences Payable	63,742	104,531	86,700	94,830	---	---
Notes payable	3,098,347	4,256,990	4,587,349	5,377,865	5,682,633	8,214,182
Bonds payable	32,020,048	29,479,212	28,573,376	26,787,540	24,986,704	22,236,704
Net Pension Liability	---	--	1,334,245	1,209,661	1,295,470	1,295,470
Total Noncurrent Liabilities	35,182,137	33,840,733	34,581,670	33,469,896	31,964,807	31,746,356
Total Liabilities	38,612,925	36,909,164	38,620,147	36,927,656	38,149,027	39,201,470
Net Assets						
Net Investment in Capital Assets	22,594,739	27,978,678	32,745,609	46,955,889	64,680,304	72,464,886
Restricted for Debt Service	3,934,599	674,628	119,838	123,562	119,838	119,838
Unrestricted	2,744,261	6,313,698	14,547,770	16,500,944	17,876,598	15,838,558
Total Net Assets	29,273,599	34,967,004	47,413,217	63,580,395	82,676,740	88,423,282
Total Liabilities and Net Assets	67,886,524	71,876,168	86,033,364	100,508,051	120,825,767	127,624,751

Ratio of Long-Term Liabilities to Net Assets	1.20	0.97	0.73	0.53	0.39	0.36
Long-Term Liabilities as a Percentage of Total Liabilities and Net Assets	51.8%	47.1%	40.1%	33.3%	26.5%	24.9%

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Debt Service Requirements

Following are the principal and interest payment requirements with respect to the Existing Bonds and the Series 2025 Bonds. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory redemption amount is used. The debt service requirements set forth below do not include debt service payable on obligations not secured by a lien on the revenues of the System, which consist of eight notes payable to GEFA (after giving effect to the issuance of the Series 2025 Bonds and the refunding of the Refunded Obligations). See “**SYSTEM FINANCIAL INFORMATION - Historical Balance Sheet Data**” herein.

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Bond Year Ending	Existing Bonds			Series 2025 Bonds*				Aggregate Net Debt Service on Bonds*
	Principal	Interest	Debt Service	Principal	Interest	Capitalized Interest	Net Debt Service	
7/1/2026	\$1,850,000	\$401,203	\$2,251,203	\$ -	1,566,688	\$(250,000)	1,316,688	\$3,567,891
7/1/2027	1,365,000	365,885	1,730,885	450,000	2,274,225	(820,000)	1,904,225	3,635,110
7/1/2028	1,495,000	338,264	1,833,264	375,000	2,251,725	(690,000)	1,936,725	3,769,989
7/1/2029	1,530,000	308,465	1,838,465	395,000	2,232,975	-	2,627,975	4,466,440
7/1/2030	1,565,000	277,973	1,842,973	415,000	2,213,225	-	2,628,225	4,471,198
7/1/2031	1,590,000	246,936	1,836,936	445,000	2,192,475	-	2,637,475	4,474,411
7/1/2032	1,610,000	215,256	1,825,256	480,000	2,170,225	-	2,650,225	4,475,481
7/1/2033	1,275,000	185,061	1,460,061	870,000	2,146,225	-	3,016,225	4,476,286
7/1/2034	1,290,000	159,767	1,449,767	915,000	2,102,725	-	3,017,725	4,467,492
7/1/2035	1,325,000	127,493	1,452,493	965,000	2,056,975	-	3,021,975	4,474,468
7/1/2036	835,000	114,375	949,375	1,510,000	2,008,725	-	3,518,725	4,468,100
7/1/2037	2,215,000	83,063	2,298,063	235,000	1,933,225	-	2,168,225	4,466,288
7/1/2038	-	-	-	1,000,000	1,921,475	-	2,921,475	2,921,475
7/1/2039	-	-	-	1,150,000	1,871,475	-	3,021,475	3,021,475
7/1/2040	-	-	-	1,205,000	1,813,975	-	3,018,975	3,018,975
7/1/2041	-	-	-	1,265,000	1,753,725	-	3,018,725	3,018,725
7/1/2042	-	-	-	1,380,000	1,690,475	-	3,070,475	3,070,475
7/1/2043	-	-	-	1,495,000	1,621,475	-	3,116,475	3,116,475
7/1/2044	-	-	-	1,575,000	1,546,725	-	3,121,725	3,121,725
7/1/2045	-	-	-	1,735,000	1,467,975	-	3,202,975	3,202,975
7/1/2046	-	-	-	1,820,000	1,381,225	-	3,201,225	3,201,225
7/1/2047	-	-	-	2,265,000	1,297,505	-	3,562,505	3,562,505
7/1/2048	-	-	-	2,735,000	1,193,315	-	3,928,315	3,928,315
7/1/2049	-	-	-	2,860,000	1,067,505	-	3,927,505	3,927,505
7/1/2050	-	-	-	2,990,000	935,945	-	3,925,945	3,925,945
7/1/2051	-	-	-	3,130,000	798,405	-	3,928,405	3,928,405
7/1/2052	-	-	-	3,275,000	652,860	-	3,927,860	3,927,860
7/1/2053	-	-	-	3,425,000	500,573	-	3,925,573	3,925,573
7/1/2054	-	-	-	3,585,000	341,310	-	3,926,310	3,926,310
7/1/2055	-	-	-	3,755,000	174,608	-	3,929,608	3,929,608
	<u>\$19,245,000</u>	<u>\$3,395,738</u>	<u>\$22,640,738</u>	<u>\$47,700,000</u>	<u>\$47,179,963</u>	<u>\$1,760,000</u>	<u>\$93,119,963</u>	<u>\$113,888,701</u>

Set forth below are the anticipated principal and interest requirements with respect to the Town's loans from GEFA. GEFA loans do not carry a lien on Net Revenues of the System. However, the Town services these obligations on a monthly basis with System revenues that may be available after all deposits required by the Bond Ordinance have been made.

Award	2013	2016	2019	CWSRF	2018	DWDRA	2022*	2025*	
Principal outstanding ¹	\$4,035	\$341,772	\$385,552	\$1,164,771	\$1,446,910	\$1,607,917	\$5,600,000	\$6,963,900	\$16,818,465

Bond Year Ending July 1	Principal and Interest	Principal and Interest	Principal and Interest	Principal and Interest	Principal and Interest	Principal and Interest	Principal and Interest	Principal and Interest	Total Principal and Interest
2026	\$4,039	\$67,021	\$64,360	\$95,769	\$97,091	\$85,000	\$ ---	\$ ---	\$413,280
2027		67,021	64,360	95,769	97,091	85,000	164,159	199,087	772,487
2028		67,021	64,360	95,769	97,091	85,000	328,319	398,174	1,135,734
2029		67,021	64,360	95,769	97,091	85,000	328,319	398,174	1,135,734
2030		67,021	64,360	95,769	97,091	85,000	328,319	398,174	1,135,734
2031		11,170	64,360	95,769	97,091	85,000	328,319	398,174	1,079,883
2032			5,363	95,769	97,091	85,000	328,319	398,174	1,009,716
2033				95,769	97,091	85,000	328,319	398,174	1,004,352
2034				95,769	97,091	85,000	328,319	398,174	1,004,352
2035				95,769	97,091	85,000	328,319	398,174	1,004,352
2036				95,769	97,091	85,000	328,319	398,174	1,004,352
2037				95,769	97,091	85,000	328,319	398,174	1,004,352
2038				95,769	97,091	85,000	328,319	398,174	1,004,352
2039					97,091	85,000	328,319	398,174	908,584
2040					97,091	85,000	328,319	398,174	908,584
2041					97,091	85,000	328,319	398,174	908,584
2042					48,545	85,000	328,319	398,174	860,034
2043						85,000	328,319	398,174	811,493
2044						77,917	328,319	398,174	804,410
2045							328,319	398,174	726,493
2046							328,319	398,174	726,493
2047							164,159	199,087	363,246
Total	\$4,039	\$346,275	\$391,523	\$1,244,997	\$1,602,001	\$1,607,917	\$6,566,379	\$7,963,480	\$19,726,601

¹ As of June 30, 2025 (unaudited). For 2022 and 2025 loan awards, which are still in construction phase and not yet subject to repayment, construction completion dates and subsequent repayment schedules are estimates only. Estimates assume the full amount of the loan award will be drawn. For the 2025 loan award, principal and interest requirements assume the Town will receive \$696,390 in eligible principal forgiveness.

Five Year Operating History

Set forth below is an historical, comparative summary of the revenues and expenses of the System for its past six fiscal years. The information in the following table has been extracted from audited financial statements of the System for the years ended June 30, 2020 through 2024 and from unaudited year-end financial statements of the System for the year ended June 30, 2025. Although the information for the fiscal years ended June 30, 2020 through 2024 was taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the System for the periods shown. The year-end amounts set forth below have been prepared by the staff of the System without audit and, in the opinion of staff of the System, include all adjustments necessary for a fair statement of the operating results of the System for such period, all of which adjustments are of a normal recurring nature. For more complete information, reference is made to the financial statements from which this information was extracted, copies of which are available from the Town upon request.

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Summary of System Revenues and Expenses

	Years Ended June 30 (Audited)					Year Ended June 30 (Unaudited)
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues:						
Charges and Fees	\$8,945,648	\$11,792,477	\$17,969,471	\$14,947,281	\$20,007,602	\$16,905,234
Miscellaneous Revenue	5,411	10,665	27,202	9,565	107,931	25,176
Total Operating Revenues	<u>8,951,059</u>	<u>11,803,142</u>	<u>17,996,673</u>	<u>14,956,846</u>	<u>20,115,533</u>	<u>16,930,410</u>
Operating Expenses:						
Personal Services and Benefits	1,720,793	1,740,699	3,317,619	2,119,506	2,110,591	2,498,252
Purchased and Contracted Services	1,302,015	1,794,247	1,588,427	1,976,108	2,422,826	3,041,952
Supplies and Equipment	767,873	1,035,091	1,279,290	1,422,859	1,294,668	1,068,033
Depreciation	1,855,625	1,892,878	1,960,428	2,118,261	2,501,174	2,688,912
Miscellaneous	992,764	1,195,601	988,668	1,178,244	1,125,942	1,226,967
Total Operating Expenses	<u>6,639,070</u>	<u>7,658,516</u>	<u>9,134,432</u>	<u>8,814,978</u>	<u>9,455,201</u>	<u>10,524,116</u>
Operating Income (Loss)	<u>2,311,989</u>	<u>4,144,626</u>	<u>8,862,241</u>	<u>6,141,868</u>	<u>10,660,332</u>	<u>6,406,294</u>
Nonoperating revenues (expenses):						
Investment Earnings	61,034	2,081	7,917	137,268	244,566	233,732
Gain on Sale of Asset	---	125,000	---	---	23,400	---
Intergovernmental Revenue	95,216	958,360	239,323	156,046	---	647,045
Interest expense	(1,461,849)	(902,244)	(857,444)	(821,712)	(783,939)	(1,093,067)
Total Nonoperating Revenues (Expenses)	<u>(1,305,596)</u>	<u>183,197</u>	<u>(610,204)</u>	<u>(528,398)</u>	<u>(515,973)</u>	<u>(212,290)</u>
Net Income (Loss) Before Contributed Capital and Transfers:	<u>1,006,393</u>	<u>4,327,823</u>	<u>8,252,037</u>	<u>5,613,470</u>	<u>10,144,359</u>	<u>6,194,004</u>
Contributed Capital	2,951,191	1,365,582	4,194,176	10,553,708	8,958,386	3,145,613
Transfer From Other Funds	---	---	---	---	---	---
Transfer To Other Funds	---	---	---	---	(6,400)	(3,592,975) ¹
Change in Net Position	3,957,584	5,693,405	12,446,213	16,167,178	19,096,345	5,746,642
Net position, beginning of year	<u>25,316,015</u>	<u>29,273,599</u>	<u>34,967,004</u>	<u>47,413,217</u>	<u>63,580,395</u>	<u>82,676,740</u>
Net position, end of year	<u>\$29,273,599</u>	<u>\$34,967,004</u>	<u>\$47,413,217</u>	<u>\$63,580,395</u>	<u>\$82,676,740</u>	<u>\$88,423,382</u>

¹ Represents a transfer out treated as a loan by the System to the City for a roads project, which transfer is expected to be reimbursed by a contribution from the GA Department of Transportation by the end of fiscal year 2026.

Management's Discussion and Analysis, of Results of Operations

The System's operating revenues from charges for service increased by approximately 122% from fiscal year 2020 to fiscal year 2024 as the Town's combined water/sewer customer base grew 30.4% from 10,075 to 13,137 during the same period.

In fiscal year 2025, unaudited, tap and prepaid fee revenue accounted for \$3.4 million of total operating revenues of \$17,577,455.. The amount of revenue from tap/prepaid fees can fluctuate greatly from year to year, and no assurance can be given that the Town will continue to receive such revenue in amounts comparable to fiscal year 2025. However, the Town is well positioned to provide necessary utility services as the economy continues to grow anticipates bond debt service coverage to remain adequate. The Town continues to review rates and is adhering to its water and sewer rate study, which the Town expects to update post issuance.

The System's operating expenses (excluding depreciation and amortization) increased by approximately 60% from fiscal year 2020 to fiscal year 2025. Operating expenses are expected to continue increasing annually as the 2025 Project is completed and placed in service. The Town will continue to assess its schedule of rates and charges annually. Generally, the Town adopts its rate structure in January of each year.

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Historical Debt Service Coverage Ratios

Set forth below is the System's historical ratios of Net Revenues Available for Debt Service to Debt Service on Revenue Bonds secured by revenues of the System, for the past five fiscal years.

Historical Debt Service Coverage Ratios

	Years Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Historical Net Revenues					
Available for Debt Service on Bonds ¹	6,039,585	10,557,586	8,397,397	13,406,073	9,328,938
Excluding Connection Fees	3,339,740	1,728,103	3,765,032	4,978,860	5,882,825
Historical Debt Service on Bonds ²	<u>1,961,876</u>	<u>2,478,282</u>	<u>2,469,513</u>	<u>2,485,166.00</u>	<u>2,464,963</u>
Historical Debt Service Coverage Ratios on Bonds					
Including Connection Fees	<u>3.08</u>	<u>4.26</u>	<u>3.40</u>	<u>5.39</u>	<u>3.78</u>
Excluding Connection Fees	<u>1.70</u>	<u>0.70</u>	<u>1.52</u>	<u>2.00</u>	<u>2.39</u>

¹ Net earnings of the System before depreciation and amortization. Connection fees consist of operating revenues from water and sewer tap fees and prepaids. See "SYSTEM FINANCIAL INFORMATION - Five Year Operating History" herein.

² Excludes debt service on notes payable to GEFA, since the notes are not secured by revenues of the System.

Proforma Maximum Annual Debt Service Coverage Ratios

Set forth below is the System's proforma ratios of Net Revenues Available for Debt Service to Maximum Annual Debt Service on Revenue Bonds secured by revenues of the System, for the year ended June 30, 2025, unaudited, and the next four fiscal years. Fiscal year ending June 30, 2025 projections are based on the unaudited statement of revenues and expenses of the Town. Projections for fiscal years ending June 30, 2026 through 2029, are based on projections estimated by the Engineer in the Engineer's Report. Projections in the Engineer's Report are based upon the assumptions contained therein, including, without limitation, assumptions regarding debt service payments on the Series 2025 Bonds. See **APPENDIX B** for a detailed discussion of such projections.

Proforma Maximum Annual Debt Service Coverage Ratios*

	Years Ended June 30				
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Pro Forma Net Revenues					
Available for Debt Service on Bonds ¹	9,328,938	10,666,772	11,382,984	12,048,468	12,731,566
Excluding Connection Fees	5,882,825	6,180,141	6,860,622	7,487,518	8,128,940
Maximum Annual Debt Service on Bonds ²	<u>4,476,286</u>	<u>4,476,286</u>	<u>4,476,286</u>	<u>4,476,286</u>	<u>4,476,286</u>
Pro Forma Debt Service Coverage Ratios on Bonds					
Including Connection Fees	<u>2.08</u>	<u>2.38</u>	<u>2.54</u>	<u>2.69</u>	<u>2.84</u>
Excluding Connection Fees	<u>1.31</u>	<u>1.38</u>	<u>1.51</u>	<u>1.67</u>	<u>1.82</u>

¹ Net earnings of the System before depreciation and amortization. Connection fees consist of operating revenues from water and sewer tap fees and prepaids. See "APPENDIX B – Engineer's Report" herein.

² Excludes debt service on notes payable to GEFA, since the notes are not secured by revenues of the System.

Operating Budget

The Town is not legally required to adopt a budget for the System. The staff of the System, however, prepares an annual operating budget for the System for management control purposes. The staff of the System uses a modified cash basis of accounting in its annual operating budget for the System, which is not consistent with the basis of accounting used in the System's financial statements.

Set forth below is a summary of the System's budget for the year ending June 30, 2026. This budget is based upon certain assumptions and estimates of the staff of the System regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the System of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

System Budget for Year Ending June 30, 2026

	<u>Year Ending June 30, 2026</u>
Operating Revenues:	
Charges and Fees	\$13,368,000
Taps and Prepaid	<u>3,560,000</u>
Other	15,000
Total operating revenues	<u>16,943,000</u>
Operating Expenses:	
Personal Services and Benefits	3,123,154
Purchased and Contracted Services	2,523,000
Supplies and Equipment	1,920,850
Miscellaneous	656,450
Total operating expenses	<u>8,223,454</u>
Operating Income	<u>8,719,546</u>
Nonoperating revenues (expenses)	
Interest revenue	40,000
Interest expense	(769,650)
Gain on disposal	---
Net nonoperating revenues (expenses)	<u>(729,650)</u>
Net Income before depreciation and amortization	<u>\$7,989,896</u>

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Capital Improvements Program

The staff of the System has developed a multi-year capital improvements program and a plan to finance the program which relies on a combination of System revenues and proceeds of debt and investment earnings on such proceeds. The capital improvements program allows the staff of the System to plan, on a long-term basis, for future System capital needs. Each year the capital improvements program is updated.

The following table summarizes the System's capital improvements program for fiscal years 2025 through 2029.

Type of Capital Expenditure	Years Ending June 30					Total
	2025	2026	2027	2028	2029	
Water System	\$ 1,363,000	\$ 4,167,000	\$ 8,300,000	\$1,627,000	\$ 50,000	\$15,507,000
Sewer System	<u>11,090,000</u>	27,650,000	<u>7,120,000</u>	<u>350,000</u>	<u>100,000</u>	<u>46,060,000</u>
Total Costs	<u>\$12,453,000</u>	<u>\$31,817,000</u>	<u>\$15,420,000</u>	<u>\$1,977,000</u>	<u>\$150,000</u>	<u>\$61,567,000</u>
Type of Funding Source						
Series 2025 Bonds	5,230,000	27,650,000	7,120,000			\$40,000,000
GEFA Loans	6,000,000	---	---	200,000	---	6,200,000
Grants	130,000	1,420,000	8,200,000	1,627,000	---	11,377,000
System Revenues/Reserves	<u>1,093,000</u>	<u>2,747,000</u>	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>3,990,000</u>
Total Funding Sources	<u>\$12,453,000</u>	<u>\$31,817,000</u>	<u>\$15,420,000</u>	<u>\$1,977,000</u>	<u>\$150,000</u>	<u>\$61,567,000</u>

¹ See "THE SYSTEM - Customers -- Sewer System" herein.

Employee Benefits

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, including System 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, 2024, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

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

Contributions

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

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

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

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

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

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

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

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

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

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

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

Mortality rates:

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

Net Pension Liability

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

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

Changes in the Net Pension Liability	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022	\$ 3,670,370	\$ 310,201	\$ 3,360,169
Changes for the Year			
Service Cost	110,821	-	110,821
Interest	277,349	-	277,349
Difference Between Expected and Actual Experience	269,371	-	269,371

Contributions - Employer	-	380,359	(380,359)
Contributions - Employer	-	-	-
Net Investment Income	-	45,057	(45,057)
Benefit Payments	(41,051)	(41,051)	-
Administrative Expense	-	(6,234)	6,234
Other	-	-	-
Net Changes	616,490	378,131	238,359
Balance at September 30, 2023	\$ 4,286,860	\$ 688,332	\$ 3,598,528

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023, is summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	45%	6.55%
International Equity	20%	7.30%
Domestic Fixed Income	20%	0.40%
Real Estate	10%	3.65%
Global Fixed Income	5%	0.50%
Cash	0%	
Total	100%	

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

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

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

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

Compensated Absences

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

Insurance Coverage

The Town is a participating member of the Georgia Interlocal Risk Management Agency. The agency, known as "GIRMA", is an instrumentality of municipal corporations and their related authorities, formed pursuant to intergovernmental contracts, to pool liability risks. GIRMA serves as the agent of its members for claims adjustment and administration of the joint liability pool. GIRMA offers its members risk management services in order to reduce the risk of liability before litigation arises. Annual contributions by members are weighted to reflect the size of the member, the level of proprietary services offered to the member, its prior litigation history, and a risk analysis. Although protected by reinsurance purchased directly by GIRMA, the solvency of the pool is assured through the agreement of its members to be jointly and severally liable for the self-insurance pool's obligations.

GIRMA provides the Town with coverages in four areas related to the System: (1) property, including buildings and contents, mobile equipment, and boiler and machinery, (2) general liability and automobile liability, and (3) crime, including money and securities and commercial blanket bond and (4) Environmental Pollution Events. See "**SUMMARY OF THE BOND ORDINANCE - Insurance; Bonding of Employees**" in **APPENDIX C** to this Official Statement for a description of the Town's covenants regarding insurance for the System.

Present coverage for the Town, pursuant to the GIRMA coverage agreement, is summarized below.

<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability	\$1,000,000	None
Automobile Liability	1,000,000	None
Public Officials Liability	1,000,000	None
Employee Benefits Liability	1,000,000	None
Commercial Blanket Bond	500,000	None
Depositors Forgery	500,000	None
Money and Securities	500,000	None

The Town is insured for workers' compensation claims through the Georgia Municipal Association Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims.

The Town requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the System. The Town requires the surety bonds to be issued by surety firms listed on the U.S. Treasury-approved list and the builders' risk insurance to be in the amount of the contract sums.

THE TOWN

Introduction

The Town is a municipal corporation created and existing under the laws of the State of Georgia and has as its formal name the "Town of Braselton, Georgia." The Town is located in the northeastern portion of the State of Georgia approximately 38 miles northeast of Atlanta, Georgia and 20 miles northwest of Athens, Georgia. The Town is located in parts of four Georgia counties: Jackson, Barrow, Gwinnett, and Hall Counties. The Town was originally chartered in 1916 and presently has a land area of approximately 12.04 square miles, approximately 4.88 square miles of which is located in Jackson County, approximately 1.60 square miles of which is located in Hall County, approximately 2.61 square miles of which is located in Barrow County, and approximately 3.05 square miles of which is located in Gwinnett County. The Town's elevation is 900 feet above sea level, and the Town's terrain is rolling.

Town Administration and Officials

The affairs of the Town are conducted by a Town Council consisting of a Mayor and four councilmembers. Under the Town's charter, all legislative authority of the government of the Town is vested in the Town Council. The Town is divided into four council voting districts, with one councilmember elected from each district and the mayor elected from the Town at large. The election of the Mayor and the councilmembers is decided by a majority of the votes cast. The members of the Town Council serve for staggered terms of four years and until their respective successors are elected and qualified. No person is eligible to serve as Mayor or a councilmember unless he or she has been a resident of the Town for a period of 180 days prior to the date of qualifying for mayor or councilmember. Only a resident of a particular council voting district may qualify for election from such district and must be elected by a majority of the voters voting only in such district. The person elected to serve as Mayor must continue to reside in the Town and each councilmember must continue to reside in the district from which

he or she was elected during his or her term of office. On the first business day of January, or as otherwise practical, of each year, the Town Council elects one of the councilmembers to serve as Mayor Pro Tempore for that ensuing year.

Information concerning the current members of the Town Council is set forth below:

<u>Name and Office Held</u>	<u>Expiration of Term</u>	<u>Number of Years in Office</u>	<u>Principal Occupation</u>
Kurt Ward, <i>Mayor</i>	December 31, 2025	2	Law
Becky Richardson, <i>District 1</i>	December 31, 2027	1	Insurance
Richard Harper, <i>District 2</i>	December 31, 2025	3	Real Estate
Tom Logan, <i>District 3</i>	December 31, 2027	1	Film/Video Production
James Murphy, <i>District 4</i>	December 31, 2025	3	Business

Under the Town's Charter, the Town Manager, who is appointed by and serves at the pleasure of the Town Council, is the chief administrative officer of the Town and manages and directs the daily operations of the Town government.

Jennifer Scott has served as the Town Manager and Town Clerk of the Town since September 1997. She holds a Bachelor degree in English from Huntingdon College, a Masters of Science degree in Justice and Public Safety from Auburn University at Montgomery, and a Juris Doctor degree from Cumberland School of Law. Ms. Scott is a certified City Clerk in the State of Georgia and a 2003 graduate of the Carl Vinson Institute of Government's Management Development Program. In 2024, the Governor appointed Ms. Scott to the Upper Oconee Regional Water Planning District. Ms. Scott was named Local Government Administrator of the Year by the Northeast Georgia Regional Development Center for their 12-county area in 2004, was a 2013 Recipient of Community Leadership Award from Jackson County Community Outreach, was the Jackson County Woman of the Year in 2015 and was also the 2015 Boys & Girls Club of America National Service to Youth Award recipient.

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Service Area Demographic Information

The Town is located in parts of four Georgia counties: Jackson, Barrow, Gwinnett, and Hall Counties. Set forth below is selected demographic data for the Town and for Jackson County, which is the county in which most of the System’s customers are located.

Year	Town Population ¹	Jackson County Population ¹	Per Capita Income ²	
			Jackson County	State
2024	17,390	93,825	-	-
2023	15,603	88,723	\$58,834	\$59,882
2022	14,899	84,102	56,230	57,290
2021	14,403	80,394	52,143	56,088
2020	13,403	75,907	46,597	51,463
2019	12,972	73,015	44,010	48,529
2018	11,599	70,347	42,792	46,624
2017	10,889	67,681	40,975	44,836
2016	10,244	65,091	39,388	42,742
2015	9,459	63,439	36,443	41,527
2014	8,720	62,125	34,551	39,550

Sources:

¹ U.S. Department of Commerce, Bureau of the Census. All population figures for years other than 2020 are estimates by the U.S. Department of Commerce, Bureau of the Census.

² U.S. Department of Commerce, Bureau of Economic Analysis.

Building Permits

The following table reflects the number and aggregate dollar value of commercial and residential building permits issued in the Town for the calendar years 2021 through 2024. Permits are categorized between commercial and residential, with each category including new construction, additions, alterations and conversions. For presentation purposes, permits issued for mobile homes, single family homes and multifamily homes are included in the residential totals. All other miscellaneous permits are included in the commercial totals.

Summary of Town Building Permits

Year	Commercial/Industrial/Other		Residential			
			Single Family		Multi-Family	
	Permits	Value	Permits	Value	Units	Value
2021	154	\$43,337,760	196	\$34,963,940		
2022	145	n/a	233	n/a	248	n/a
2023	52	n/a	499	n/a	118	n/a
2024	40	n/a	499	n/a	0	n/a

Banking Deposits

According to the Federal Deposit Insurance Corporation, as of June 30, 2024, the most recent data available, the Town had four financial institutions. Set forth below is information concerning banking deposits in the Town for the years 2020 through 2024.

Total Deposits in Financial Institutions as of June 30 (in thousands)

<u>Year</u>	<u>Town</u>
2024	\$329,746
2023	289,948
2022	277,307
2021	298,714
2020	211,903

Source: Federal Deposit Insurance Corporation.

Largest Employers

Set forth below are the ten largest private employers located in the Town as of June 30, 2024 (the most recent date available), their industries, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the Town or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below.

<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
Petco Animal Supplies Stores, Inc.	Distribution	250
Merritt Hospitality, LLC d/b/a The Inn at Chateau Elan	Hospitality	350
Asa Carlton, Inc.	Construction	244
Haverty's Furniture Co., Inc.	Distribution	180
The William Carter Company	Distribution	782
Williams-Sonoma Direct, Inc.	Distribution	336
Uline, Inc.	Distribution	639
Fedex Ground Package System, Inc.	Distribution	530
Trilogy Foods, LLC	Manufacturing	250
Amazon.com Services, LLC	Distribution	415

Source: Annual Financial Information and Operating Data – 2024 Annual Report of the Town.

TAX TREATMENT

Federal Tax Exemption – Series 2025 Bonds

Opinion of Bond Counsel. In the opinion of Bond Counsel, under existing law, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order for the interest thereon to be and remain excludable from gross income for

federal income tax purposes. Examples include: the requirement that, unless an exception applies, the Authority rebate certain excess earnings on proceeds and amounts treated as proceeds of the Series 2025 Bonds to the United States Treasury Department; restrictions on the investment of such proceeds and other amounts; and certain restrictions on the ownership and use of the facilities refinanced with the proceeds of the Series 2025 Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied subsequent to the issuance of the Series 2025 Bonds to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Series 2025 Bonds in the gross income of the holders thereof for federal income tax purposes, retroactive to the date of issuance of the Series 2025 Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Authority comply with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2025 Bonds.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Series 2025 Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the Series 2025 Bondholders from realizing the full current benefit of the tax status of the interest on the Series 2025 Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2025 Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced in the near term that, if enacted, could change the federal tax consequences of owning the Series 2025 Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2025 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Authority and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Series 2025 Bonds and of the property financed or refinanced thereby).

Alternative Minimum Tax. Interest on the Series 2025 Bonds will not be treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals under the Code; therefore, interest on the Series 2025 Bonds will not be included in the “alternative minimum taxable income” of individuals for purposes of such individual alternative minimum tax. Interest on the Series 2025 Bonds is included in the “adjusted financial statement income” (as defined in Section 56A of the Code) of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code..

Original Issue Premium. The Series 2025 Bonds maturing on July 1 in the years [] and [] through [] (the “Series 2025 Premium Bonds”) have been sold to the public at an original issue premium. Section 171(a) of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Series 2025 Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser’s basis in a Series 2025 Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(a)(2) of the Code. Proceeds received from the sale, exchange, redemption or

payment of a Series 2025 Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Series 2025 Premium Bond and not as interest.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Series 2025 Premium Bonds should consult their own tax advisors in order to determine the federal income tax consequences to them of purchasing, holding, selling or surrendering Series 2025 Premium Bonds at their maturity.

Original Issue Discount. The Series 2025 Bonds maturing on [] in the years [] and [] (the "Series 2025 Discount Bonds") have been sold to the public at an original issue discount. Generally, the original issue discount is the excess of the stated redemption price at maturity of such a Series 2025 Discount Bond over the initial offering price to the public (excluding underwriters and other related parties thereto) at which price a substantial amount of that maturity of the Series 2025 Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Series 2025 Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under Section 1288 of the Code, original issue discount on Series 2025 bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Series 2025 Discount Bond, who acquires the Series 2025 Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Series 2025 Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Series 2025 Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Series 2025 Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Series 2025 Discount Bond in excess of the owner's adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as interest in such owner's hands), will be treated as a gain from the sale or exchange of such Series 2025 Discount Bond and not as interest. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, in the same manner as regular interest on the Series 2025 Bonds, although the owner of such Series 2025 Discount Bond may not have received cash in such year.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 2025 Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Series 2025 Discount Bonds should consult their own tax advisors with respect to the consequences of owning Series 2025 Discount Bonds, including the effect of such ownership under applicable state and local laws.

Other Tax Consequences. Prospective purchasers of the Series 2025 Bonds should be aware that ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, the earned income tax credit, certain S Corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or

carry the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should also be aware that ownership of the Series 2025 Bonds may result in adverse tax consequences under the laws of various states. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the consequences of them owning the Series 2025 Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds, such as the Series 2025 Bonds, is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2025 Bonds, under certain circumstances, to “backup withholding” at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Series 2025 Bonds and proceeds from the sale of Series 2025 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2025 Bonds. This withholding generally applies if the owner of Series 2025 Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2025 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE SERIES 2025 BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2025 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

State Tax Exemption

In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. Interest on the Series 2025 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Series 2025 Bonds should consult his or her own tax adviser regarding the tax-exempt status of the interest on the Series 2025 Bonds in a particular state or local jurisdiction other than Georgia.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as **APPENDIX D** for the complete text thereof.

RISK FACTORS

The purchase of the Series 2025 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the Town’s ability to perform its obligations under the Bond

Ordinance, including the timely payment of principal of and interest on the Series 2025 Bonds, include the following:

The future financial and operating condition of the Town and/or the System could be affected adversely by, among other things, legislation, regulatory actions, changes in demand for services, economic conditions, demographic changes, litigation and public health emergencies.

There is no assurance that permits for operation of major components of the System will be renewed or can be renewed without the expenditure of moneys from the Renewal and Replacement Fund or the issuance of Additional Bonds. Further, there is no assurance that the requirements for renewal of the permits will remain the same prior to the time that renewal is required; a change in requirements could require additional expenditures for improvements.

The Town is subject to federal and State water treatment and wastewater disposal requirements which, among other things, limit raw water withdrawals, control contaminants in finished water, limit discharges of pollutants into surface and ground waters, regulate the quality of effluent discharged from sewage treatment facilities, and limit the nature of waste materials discharged into the collection facilities. The Town is also subject to federal, State and local waste disposal requirements, which control the means of disposal of solids generated by sewage treatment plants. There are no assurances that these agencies will not increase their present environmental or other regulatory standards. Environmental requirements in general are becoming more stringent, and further or new requirements may substantially increase the cost of water or wastewater service by requiring changes in the design or operation of existing or new facilities. Future changes in policy could result in discontinued operation, reduced capacity of the System, additional operations or capital expenditures, or a reduction in the revenue received by the Town. Further, while the Town undertakes to operate the System in a professional manner and in compliance with all regulatory requirements, there is no assurance that the System facilities now or in the future will always be maintained in compliance with current or future regulatory requirements. Failure to comply with those requirements could result in enforcement action against those facilities not in compliance which, under federal and State law, can include the imposition of civil and criminal penalties.

The System may need additional repairs and improvements beyond those currently projected by the Town. The cost of additional repairs and improvements would have to be paid from amounts on deposit in the Renewal and Replacement Fund, Net Revenues or Additional Bonds. Any of these alternatives could potentially require an increase in the rates, fees and charges of the System. Additionally, the Town's current capital improvement construction cost projections for the System are based in part on preliminary design estimates. Unforeseen events could result in increases in construction costs and delays in completion of construction. New or increased costs could have an adverse effect on the Town's ability to complete construction within the projected costs, and delays in completion could adversely affect the Town's ability to generate sufficient Net Revenues to meet its obligations under the Bond Ordinance. Currently, the United States is experiencing higher levels of inflation which is having an impact on the cost of goods, including construction materials and products needed by the Town. Additionally, the Town may encounter adverse effects resulting from current supply chain issues, specifically related to the delivery of goods and construction materials. Deliveries could be delayed, which may have the potential to impact the completion of projects. Implemented and proposed tariffs on certain imports may also contribute to inflationary pressures. As a result, the Town may experience delays and increased costs that might be incurred as a result of supply chain issues. Therefore, for new projects that have not yet started, the Town is taking these factors into account in budgeting and scheduling. It is possible that the United States may continue to experience supply chain issues and inflation which will impact State and local government finances.

The Town relies on technology to conduct its operations. As such, it may face cybersecurity threats including but not limited to: hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. The Town currently carries \$1,000,000 in insurance coverage with respect to cybersecurity.

PFAS are a large group of synthetic fluorinated organic chemicals that include perfluorooctanoic acid ("PFOA") and perfluorooctane sulfonate (PFOS). The unique characteristics of PFAS make them exceptional for consumer and industrial products, with thousands of these chemicals registered globally. However, these properties also make them highly soluble, mobile, and recalcitrant to chemical and biological treatment processes employed in drinking water, wastewater, and potable reuse. Accordingly, PFAS have been detected widely in drinking water and the environment. In April 2024, the EPA announced the final National Primary Drinking Water Regulation, including standards for PFOA and PFOS. At that time, the EPA established legally enforceable levels for these PFAS in drinking water and gave public water systems until 2029 to comply with specified maximum contaminant level goals. The EPA announced on May 14, 2025 that it intends, among other matters, to develop a rule, anticipated to be finalized in Spring 2026, providing additional time for compliance, including a proposal to extend the compliance date to 2031. The EPA is also planning to reconsider the regulatory determinations for certain PFAS. The Town is committed to delivering reliable and sustainable water services that meet the needs of its customers. Currently, there are no PFAS concerns regarding the Town's water quality, however, the Town may in the future incur additional indeterminate costs in complying with the rules regarding PFAS.

LEGAL MATTERS

Pending Litigation

The Town, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of the affairs of the System. The Town, after reviewing the current status of all pending and threatened litigation relating to the System with its counsel, Chandler, Britt & Jay, LLC, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Town relating to the System or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the System.

There is no litigation now pending or, to the knowledge of the Town, threatened against the Town which restrains or enjoins the issuance or delivery of the Series 2025 Bonds, the pledge of the Net Revenues to secure the Series 2025 Bonds, or the use of the proceeds of the Series 2025 Bonds or which questions or contests the validity of the Series 2025 Bonds or the proceedings and authority under which they are to be issued and secured. Neither the creation, organization, or existence of the Town, nor the title of the present members or other officials of the Town to their respective offices, is being contested or questioned.

Validation Proceedings

The Town will cause proceedings to be instituted in the Superior Court of Jackson County, Georgia to validate the Series 2025 Bonds, and a final judgment confirming and validating the Series 2025 Bonds and the security therefor will be entered prior to the date of initial issuance and delivery of

the Series 2025 Bonds. Under Georgia law, a judgment of validation is final and conclusive with respect to the Series 2025 Bonds and the security therefor.

Approval of Legal Proceedings

All legal matters incident to authorization and issuance of the Series 2025 Bonds by the Town are subject to the approval of Holland & Knight LLP, Bond Counsel, Atlanta, Georgia, whose approving opinion will be available at the time of the issuance and delivery of the Series 2025 Bonds. It is anticipated that the approving opinion will be in substantially the form attached hereto as **APPENDIX D**. Certain legal matters will be passed upon for the Town by Holland & Knight LLP, Atlanta, Georgia, its Disclosure Counsel, for the Town by Chandler, Britt & Jay, LLC, Buford, Georgia, the Town Attorney.

MISCELLANEOUS

Ratings

Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("S&P"), has assigned the Series 2025 Bonds the rating of "AA" (stable outlook) based upon the issuance of the Policy securing the payment when due of the principal of and interest on the Series 2025 Bonds by BAM at the time of delivery of the Series 2025 Bonds. The Series 2015 Bonds have been assigned an underlying rating of "A+" (stable outlook) by S&P. Such ratings reflects only the view of S&P and an explanation of the significance of such ratings may be obtained only from S&P. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025 Bonds.

Underwriting

Stifel Nicolaus & Company, Incorporated, on behalf of itself and Stephens Inc., (the "Underwriter") has agreed to purchase all of the Series 2025 Bonds for an amount equal to \$[] (which is equal to par, plus net original issue premium of \$[], less Underwriter's discount of \$[]) pursuant to a Bond Purchase Agreement between the Town and the Underwriter. The Bond Purchase Agreement provides that the Underwriter will be obligated to purchase all of the Series 2025 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions to be satisfied by the Town. The Bond Purchase Agreement contains the agreement of the Town to indemnify the Underwriter against certain liabilities to the extent permitted by law. The Underwriter may offer and sell the Series 2025 Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page. The offering prices may be changed from time to time by the Underwriter.

Independent Accountant

The basic financial statements of the Town as of June 30, 2024, and for the year then ended, attached hereto as **APPENDIX A**, have been audited by McNair McLemore Middlebrooks & Co., Macon, Georgia, independent certified public accountant, to the extent and for the period indicated in their report thereon, which appears in **APPENDIX A**. Such financial statements have been included herein in reliance upon the report of McNair McLemore Middlebrooks & Co., which reliance has been consented to by such accountant.

Engineer

Engineering Management, Inc., Lawrenceville, Georgia, was retained by the Town to prepare the Engineer's Report for purposes of Article IV, Section 11(7) of the 2003 Ordinance. The references herein to Engineering Management, Inc. have been approved by such firm. The Engineer's Report has been included as **APPENDIX B** to this Official Statement in reliance upon such firm as experts in the areas encompassed by such report and is included in this Official Statement with the consent of such firm. However, the Engineer has not performed any services relating to the preparation of this Official Statement and have not reviewed or participated in any discussions with the Town related to the System except as described in the Engineer's Report. *Such report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.*

Continuing Disclosure

The Town has covenanted for the benefit of Bondholders to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each Fiscal Year in each year commencing June 30, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Town with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. The notices of enumerated events will be filed by the Town with the MSRB and with any similar repositories established by the State, if any. The information to be contained in the Annual Report or the notices of material events is included in the form of continuing disclosure agreement attached hereto as "**APPENDIX E - Form of Continuing Disclosure Agreement.**" These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

The Town has previously entered into certain other undertakings with respect to the Rule (the "Prior Undertakings"). The Town was late in filing its Annual Report for the years 2020 through and including 2024. In addition, the Town failed to file certain information required by its Prior Undertakings for the year 2020. The Town has corrected its filing for the year 2020.

The Town has engaged Digital Assurance Certification as its dissemination agent in order to ensure future compliance with the Rule and its continuing disclosure undertakings.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

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CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Town.

TOWN OF BRASELTON

By: /s/
Mayor

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APPENDIX A

FINANCIAL STATEMENTS OF THE SYSTEM

The basic financial statements of the Town as of June 30, 2024 and for the year then ended, included in this **APPENDIX A**, have been audited by McNair McLemore Middlebrooks & Co., Macon, Georgia, independent certified public accountants, to the extent and for the period indicated in their report thereon which appears in this **APPENDIX A**. Such financial statements have been included herein in reliance upon the report of McNair McLemore Middlebrooks & Co.

NO RECOURSE MAY BE HAD AGAINST ANY FUNDS OR ACCOUNTS DISCLOSED IN THESE FINANCIAL STATEMENTS, EXCEPT THE WATER AND SEWERAGE SYSTEM FUND, FOR THE PAYMENT OF THE SERIES 2025 BONDS.

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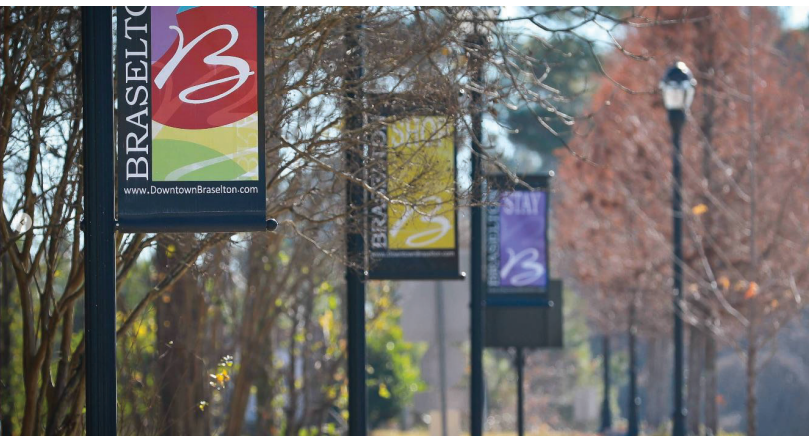
TOWN OF BRASELTON, GEORGIA



TOWN OF —
BRASELTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



TOWN OF BRASELTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

TOWN OF BRASELTON, GEORGIA

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March 19, 2025

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Hotel / Motel Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Town's net pension liability and related ratios on page 45, schedule of the Town contributions on page 46, and the notes to the required supplementary information on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

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

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FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

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

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

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

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

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

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

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

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

Capital Assets

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

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

Deferred Outflows of Resources

Pensions	366,500
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Long-Term Liabilities

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

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

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

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

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

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

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

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

Capital Assets

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

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

Deferred Outflows of Resources

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BRASELTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

(1) Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

In accordance with *GASB Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary funds:

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

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

(1) Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Additionally, the Town reports the following fund types:

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

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

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

Budgets

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

Deposits and Investments

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

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

Receivables and Payables

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

Prepaid Items

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

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Net Position Flow Assumption

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

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

(1) Summary of Significant Accounting Policies (Continued)

Leases

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

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

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

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

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

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

Fund Equity

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

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

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

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

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

- Committed
- Assigned
- Unassigned

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

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

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

Fund Balance Deficit

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

(1) Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources / Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Management Estimates

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

(2) Legal Compliance - Budgets

Budget Process

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

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

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

(2) Legal Compliance – Budgets (Continued)

Excess of Expenditures over Appropriations

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

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

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

(3) Deposits and Investments

Custodial Credit Risk - Deposits

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

Investments

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

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

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

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

(3) Deposits and Investments (Continued)

Investments (Continued)

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

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

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

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

(4) Receivables

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

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

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

(4) Receivables (Continued)

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

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

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

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

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

(5) Capital Assets

Primary Government

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

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

(5) Capital Assets (Continued)**Primary Government (Continued)**

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

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

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

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

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

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

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

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

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

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

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

Governmental Activities*Series 2005 Revenue Bonds*

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

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

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

(6) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2016 Revenue Bonds

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

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

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

Series 2017 Revenue Bonds

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

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

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

(6) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2019 Revenue Bonds

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

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

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

Business-Type Activities

Series 2015 Water and Sewer Revenue Bonds

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

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

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

(6) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Series 2020 Water and Sewer Revenue Bonds

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

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

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

Notes Payable

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

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

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

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

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

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

Component Unit

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

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

Notes Payable

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

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

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

(7) Interfund Receivables, Payables, and Transfers

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

Due To / From Other Funds:

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

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

Interfund Transfers:

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

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

(8) Retirement Benefits

Plan Description

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

(8) Retirement Benefits

Plan Description (Continued)

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

Plan Membership

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

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

Contributions

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

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

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

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

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

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

(8) Retirement Benefits (Continued)

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

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

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

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

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

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

Mortality rates:

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

(8) Retirement Benefits (Continued)

Net Pension Liability

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2023, is summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	45%	6.55%
International Equity	20%	7.30%
Domestic Fixed Income	20%	0.40%
Real Estate	10%	3.65%
Global Fixed Income	5%	0.50%
Cash	0%	
Total	100%	

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

(8) Retirement Benefits (Continued)

Net Pension Liability (Continued)

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

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

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

(9) Joint-Venture

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

(10) Risk Management

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

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

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

(11) Commitments and Contingencies

Litigation

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

Grant Contingencies

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

(12) Hotel / Motel Occupancy Tax

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

(13) Adjustments and Restatements to Beginning Balances

Change Within the Reporting Entity

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

SCHEDULE OF TOWN CONTRIBUTIONS

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

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

TOWN OF BRASELTON, GEORGIA

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

Significant Issues

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

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2025.
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Methods and Assumptions Used to Determine Contribution Rates

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

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Assets

Cash and Cash Equivalents	\$ 210,953
Lease Receivable	7,934

Total Assets	\$ 218,887

Liabilities

Due To Primary Government	\$ 182,551

Total Liabilities	182,551

Deferred Inflows of Resources

Lease	7,313

Total Deferred Inflows of Resources	7,313

Fund Balance

Nonspendable	621
Unassigned	28,402

Total Fund Balance	29,023

Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 218,887

Total Fund Balances - Governmental Funds	\$ 29,023
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Amounts reported for governmental activities in the statement of net position are different because:

Capital Assets

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

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

Long-Term Liabilities

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

Notes Payable	(48,283)

Net Position of Governmental Activities	\$ 359,089

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

Revenues

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

Total Revenues	127,942
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Expenditures

Current	
General Government	72,350
Debt Service	
Principal	1,717
Interest	4,516

Total Expenditures	78,583
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Net Change in Fund Balance	49,359
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Fund Balance (Deficit) - Beginning of Year	(20,336)
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Fund Balance - End of Year	\$ 29,023
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**TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 49,359
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Amounts reported for governmental activities in the statement of activities are different because:

Capital Assets

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

Total Depreciation	(11,618)
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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	1,717
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Change in Net Position of Governmental Activities	\$ 39,458
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COMPLIANCE SECTION

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

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

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF BRASELTON, GEORGIA

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

(1) Basis of Presentation

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

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Loan Programs

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

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

March 19, 2025

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Town of Braselton, Georgia** (the "Town"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-005.

Town's Response to Findings

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

Purpose of this Report

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

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

March 19, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Town of Braselton, Georgia's** (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

TOWN OF BRASELTON, GEORGIA

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

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of Major Programs:	
<u>ALN Numbers</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief Fund
Dollar threshold used to distinguish between Type A and Type B program?	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

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

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

Criteria

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

Condition

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

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

Effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

Section II - Financial Statement Findings (Continued)

2024-002 *Capital Assets – Governmental Activities*

Criteria

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

Condition

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

Context

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

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

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

Effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

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

Section II - Financial Statement Findings (Continued)

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

Criteria

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

Condition

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

Context

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

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

Effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

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

Section II - Financial Statement Findings (Continued)

2024-004 Investment Accounts

Criteria

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

Condition

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

Context

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

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

Effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

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

Section II - Financial Statement Findings (Continued)

Compliance Findings

2024-005 Expenditures in Excess of Appropriations

Criteria

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

Condition

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

The following General Fund expenditures exceeded approved budgets.

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

The following Special Revenue Funds expenditures exceeded approved budgets.

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

Effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

Section III - Federal Award Findings and Questioned Costs

No matters were reported.



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

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

FINANCIAL STATEMENT FINDINGS

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



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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported



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

March 19, 2025

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

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

FINANCIAL STATEMENT FINDINGS

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

Name of Contact Person: Jennifer Scott, Town Manager

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

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

Anticipated Completion Date: March 31, 2025

2024-002 Capital Assets – Governmental Activities

Name of Contact Person: Jennifer Scott, Town Manager

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

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

Anticipated Completion Date: March 31, 2025



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

2024-003 Capital Assets – Business-Type Activities

Name of Contact Person: Jennifer Scott, Town Manager

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

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

Anticipated Completion Date: March 31, 2025

2024-004 Investment Accounts

Name of Contact Person: Jennifer Scott, Town Manager

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

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

Anticipated Completion Date: March 31, 2025

2024-005 Expenditures in Excess of Appropriations

Name of Contact Person: Jennifer Scott, Town Manager

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

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

Anticipated Completion Date: March 31, 2025

FEDERAL AWARDS FINDINGS

None Reported

APPENDIX B

ENGINEER'S REPORT

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TOWN OF —
BRASELTON

Preliminary Engineering Report on Water Reclamation Facility Expansion For the Town of Braselton, Georgia



September 2025

EMI ENGINEERING
MANAGEMENT
Experience ■ Trust ■ Solutions
Civil and Environmental Engineers



Town of Braselton

Engineering Report for 2025 Water & Sewer Revenue Bonds

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Appendix: Cash Flow Analysis

Introduction & Purpose

The Town of Braselton is currently in the process of expansion the capacity of both their water and sewer systems to accommodate internal and regional growth. The Braselton water reclamation facility (WRF) is undergoing a two-phase expansion from 2.54 million gallons per day (MGD) to 3.5 MGD and then to 7.0 MGD. Phase I is about to begin construction, and phase II is entering its preliminary planning stage. There is strong need for regional wastewater treatment capacity, outlined in official regional water planning documents curated by the state and communicated between local jurisdictions. The WRF expansion is also including major upgrades to existing treatment systems in order to meet more stringent effluent standards established by the Georgia Environmental Protection Division (EPD).

The Braselton water system is the design stages to construct two new groundwater wells for an additional 0.216 MGD capacity to the water supply. Braselton's water demand has had an average annual growth of 7% for the last three years or so. This is largely influenced by the City of Hoschton, who has increased their population from 1,400 to 6,700 in the last ten years, making a total 480% population growth.

The Town is seeking a \$40 million water and sewer revenue bond to cover the various improvements throughout the Braselton water and sewer system. The purpose of this report is to provide technical and financial information in support of a proposed bond issuance.

The objectives for this study include but are not limited to the following:

- Analyze water and sewer demands, in number of billing accounts, volume metered, and regional planning projections
- Compile historical income statements, verified by audits, to evaluate trends in revenues and expenses
- Project these financial trends by extrapolation and engineer's best estimate
- Review water and sewer retail rates, wholesale rates and contracts, and connection fees as they compare to the surrounding systems and to the operating expenses of the Braselton systems
- Project revenues and expenses based on the above analysis
- Review revenue requirements such as debt service coverage ratio and operating ratios

All financial data utilized in this document is based on Town audited statements and records obtained from town staff. All operational values are from water and sewer plant monthly operating reports also obtained from town staff.

The policies and procedures used in this document are largely based on the following resources:

- American Water Works Association (AWWA) Manual for Water Supply Practices, M1: Principals of Water Rates, Fees, and Charges, 7th Ed.
- Billings and Jones. *Forecasting Urban Water Demand*, AWWA, 2nd Ed. 2008.

Data sources are cited throughout if not attached. All sources have been provided by the Town and are not independently verified by EMI if not stated otherwise in this report.

Background

Town encompasses over 13.3 square miles and spans Jackson, Hall, Gwinnett, and Barrow County. The Town's water and sanitary sewerage system service area spans over 15 square miles. The Town has experienced heavy growth for the last twenty years, with an absolute percent growth of about 132% from 2010 to 2023. It is growing at a relatively linear rate of about 820 new residents every year. The surrounding counties and unincorporated areas are also projected to grow at rates as fast as 150-180% according to regional water plans.

The majority of the water users are residential type customers utilizing $\frac{3}{4}$ " water meters. The Town also operates a small reuse water distribution system that serves 156 users and is utilized primarily in the summer months. The majority of the sewer customers are residential type connections with $\frac{3}{4}$ " water meters. Sewer service is based on water meter readings year-round.

The Town of Braselton has operated a community water system since the 1960's and a public sewer system since the mid 1970's. The Town produces a portion of their water supply through ground water wells and the remainder is purchased from adjacent systems including the county systems of Barrow, Jackson, and Gwinnett.

The Braselton WRF and sewer collection system have been a major economic driver for the area for decades. Braselton not only serves multiple businesses in the four-county area but also provides wastewater treatment services for the City of Oakwood and will be providing sewer treatment services for Barrow County.

Proposed Project Overview

The WRF is in need of improvement and expansion. The facility has several components that have reached their useful life and are considered obsolete technology. Based on recent projections, the facility will need a treatment capacity of an average of 3.5 MGD by 2045. In addition to the need for increased capacity, the Town must continue to maintain a high quality of treated effluent to meet Urban Water Reuse standards as well as Indirect Potable Reuse (IPR) standards.

The system was declared an IPR system by the Georgia EPD in late 2024, and the Town was required to perform multiple tests of the WRF effluent as well as downstream in the Mulberry River. Following the water quality testing, public meetings were held in Braselton with Georgia EPD representatives and the City of Winder. The City of Winder has a water intake planned two miles downstream from the Braselton WRF.

Background

Utility Affordability to Users

According to the utility bill distribution study performed, which covers the months of July 2024 to June 2025, the average water bill is 7,970 gallons per month, and the average sewer bill is 6,940 gallons per month. And the associated average bill amount charged to the users is \$83.14 and \$75.74, respectively, for a combined \$158.88. This is skewed due to commercial, industrial, and other high-volume users, however.

The median bills distributed better represent the typical Braselton user, as this represents the “most common” bill dispersed. This was found to be 3,800 gallons per month and approximately \$45.79 for water accounts and 3,760 gallons per month and approximately \$41.10 for sewer. This makes a combined \$86.89 utility charge.

The median household income in Braselton is estimated to be about \$113,810 as of 2023¹. And the lowest quintile of users (lowest 20% of households) earns somewhere between \$50,000 and \$75,000. This translates to the most common utility bill distributed making up 0.9% of the median household income and 1.7% of the lowest quantile of earners. According to Environmental Protection Agency (EPA) benchmarks, this is considered very affordable²

¹ US Census, American Community Survey, Table S1901: Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars, 2023: ACS 5-Year Estimates Subject Tables.

² Affordability Assessment Tool for Federal Water Mandates. (2013). USCM, AWWA, & WEF. Status Consulting, Boulder, Colorado.

U.S. Environmental Protection Agency, Office of the Administrator, Science Advisory Board. (2002). Affordability criteria for small drinking water systems: an EPA Science Advisory Board report. Washington, D.C. Noting the fact that the variance rule has never been triggered may mean the threshold is too high.

U.S. Environmental Protection Agency, Environmental Financial Advisory Board. (2007). Analysis and recommendations on: Combined sewer overflows: guidance for financial capability assessment and schedule development. Washington, D.C.

Background

General System Inventory

The Town's water system is in very good condition and encompasses over 144 miles of 2 inch to 16" water distribution mains. The total line lengths are as follows:

Water Main Inventory	
Water Main Size	Approximate Length (ft)
2-in	50,206
3-in	5,516
4-in	4,889
6-in	63,372
8-in	457,752
10-in	51,380
12-in	115,098
16-in	14,137
TOTAL	762,350

Water storage is provided by two one-million-gallon elevated tanks, one 75,000-gallon tank and one 200,000-gallon elevated tank.

The water quality in the system is excellent, meeting all drinking water regulations. The Town of Braselton publishes a consumer confidence report annually and has no exceedances in regulated contaminants. The Town is a part of the West Jackson Fire District, and the District earned a coveted ISO rating of 3 at last inspection.

There are no PFAS concerns regarding Town water quality at this time. The Town is promptly responsive to the ever-changing EPA and Georgia EPD monitoring for PFAS as regulations are still being determined.

The Town's sanitary sewer system is also in excellent condition and encompasses over 80 miles of 8" to 36" sanitary sewer mains, over 1,200 manholes, 30 wastewater pumping stations, and over 20 miles of *forcemain*. The WRF is located on over 92 acres of Town owned land, which is adequate for the proposed expansion as well as anticipated future expansions.

Background

Regional Water Planning Forecasts

Braselton is located within Gwinnett, Barrow, Jackson, and Hall Counties. Below are population and water and sewer demand projections for the associated counties as listed in the regional water planning documents. Braselton is primarily addressed in the upper Oconee Regional Water Planning District but a third of the Town's purchase water³ is provided by the Gwinnett County water system, which is included in the Metropolitan North Georgia Water Planning District. Hall County is not specified in these planning documents.

Regional Water Planning District Population Forecasts							
	2020	2030	2040	2050	2060	Difference from 2020-2060	% Increase from 2020-2060
Gwinnet	-	1,172,752	1,332,037	1,484,742	1,529,276		
Jackson ¹	74,700	95,493	115,088	136,627	160,808	86,108	115%
Barrow	86,363	116,916	149,706	189,385	239,941	153,558	178%
Upper Oconee Regional Water Plan 2024, pg 4-2, population projections are based on the 2019 Georgia's Governor's Office of Planning and Budget and the 2022 Upper Oconee Water and Wastewater Forecasting Technical Memorandum. All values are presented as annual average daily demands in million gallons per day.							
Gwinnet projections are based on the December 2022 Metropolitan North Georgia Water Planning District Water Resources Management Plan. The population values are based on ARC projections.							

Regional Water Planning District Water Demand Forecasts (MGD)							
	2020	2030	2040	2050	2060	Growth from 2020-2060	% Increase from 2020-2060
Gwinnet	-	-	121.6	-	141.0-147.4	-	-
Jackson ¹	9.12	11.47	13.61	15.91	18.42	9.30	102%
Barrow	8.68	11.60	14.57	18.04	22.34	13.66	157%
Jackson and Barrow County forecasts based on Upper Oconee Regional Water Plan, pg 4-3.							
Gwinnet County forecasts based on Metropolitan North Georgia Water Planning District Water Resources Management Plan, pg 4-5.							

Regional Water Planning Centralized Wastewater Treatment System Flow Forecast (MGD)							
	2020	2030	2040	2050	2060	Growth from 2020-2060	% Increase from 2020-2060
Gwinnet	-	-	105.3	-	-	-	-
Jackson	9.15	11.69	14.09	16.73	19.69	10.54	115%
Barrow	6.06	8.20	10.49	13.28	16.82	10.76	178%
Jackson and Barrow County forecasts based on Upper Oconee Regional Water Plan, pg 4-5.							
Gwinnet County forecasts based on Metropolitan North Georgia Water Planning District Water Resources Management Plan, page 4-9.							

The expansion at the Braselton WRF will help to contribute to the regional need of wastewater treatment capacity.

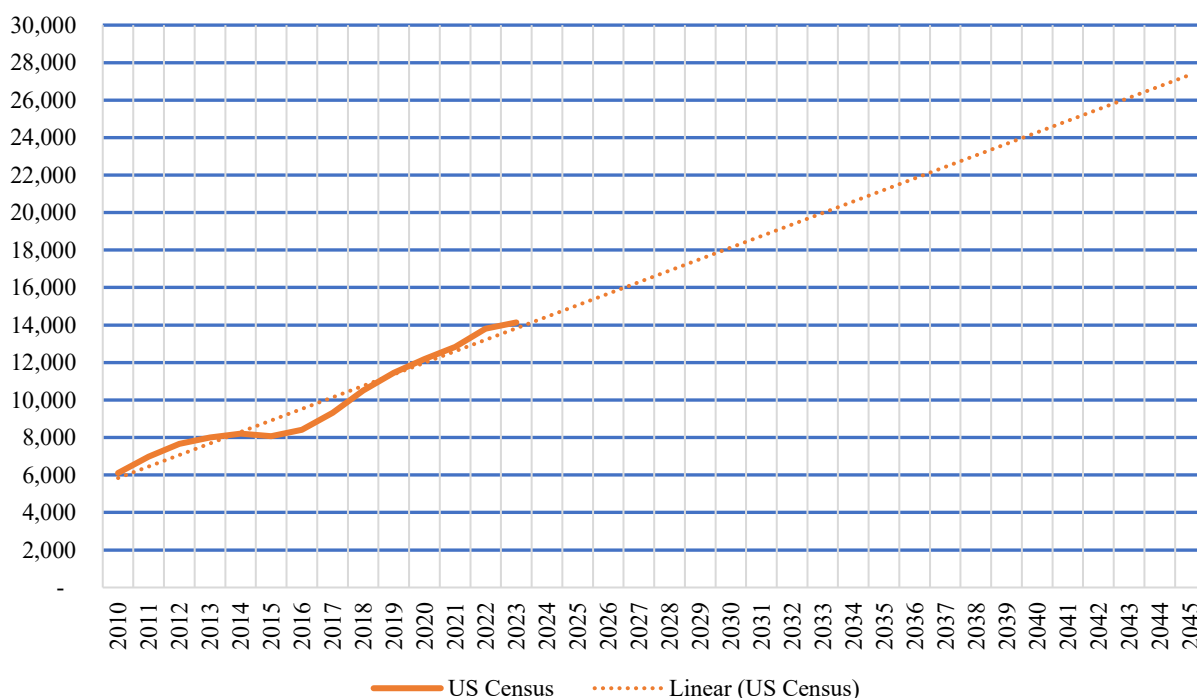
³ Based on county billing records provided by the city

Background

Population Projection

A population projection was created for Town residents specifically based on Census values.

Braselton Population Projection



Historical Population ⁴				
Year	2010	2015	2020	2023
Population	6,107	8,074	12,178	14,139
ABSOLUTE % GROWTH:				132%

Projected Population					
Year	2025	2030	2035	2040	2045
Population	14,500	18,100	20,600	24,100	26,600

Since 2016, there has been a consistent linear trend of about 820 new residents, having an average annual growth of about 8% or so.

⁴ US Census Data, American Community Survey, ACS 5-Year Estimate Data Profiles, Years 2010-2023, Table DP05: ACS Demographic and Housing Estimates.

Existing Rate Structures

The Town Council adopted increasing rates (4 tiers) in June 2006. Water Conservation pricing is mandated in section 20-101 of the Town of Braselton Water and Sewer Ordinance, November 2006. The goal of conservation pricing is to reduce excessive discretionary water use, especially outdoor irrigation, by making water use increasingly more expensive.

The most recent rate increase was implemented in January 2025. The present water and sewer rate structure for the Town of Braselton is set forth in the rate schedule below. An increasing tiered rate, such as Braselton's, promotes and encourages water conservation. Annually, the Town will review consumption patterns along with income and expense levels to determine if the conservation rates are effective. Rate structure adjustments will continue to be made as necessary to promote water conservation and to ensure the financial integrity of the system.

Existing Rate Structures

Retail Rates

The following tables list the current water and sewer rates being implemented by the Town:

Braselton Retail Water Rates		
Residential and commercial retail water rates are based on a base meter charge followed by volumetric tiered rates. Reuse water has its own rate system.		
Base charge includes first 2,000 gallons per month unless stated otherwise.		
Base Charge		
Residential		
Meter Size	Inside Town Limits	Outside Town Limit
3/4 Inch	\$27.53 minimum	\$41.26 minimum
1 Inch	\$45.84 minimum	\$68.76 minimum
1 ¼ & 1 ½ Inch	\$91.69 minimum	\$137.52 minimum
2 Inch	\$148.98 minimum	\$223.47 minimum
3 Inch	\$286.52 minimum	\$429.74 minimum
4 Inch	\$458.40 minimum	\$687.59 minimum
6 Inch	\$916.79 minimum	\$1375.22 minimum
8 Inch	\$1466.88 minimum	\$2200.34 minimum
10 Inch	\$3107.98 minimum	\$4661.97 minimum
Commercial - Base Charge		
Meter Size	Base Charge	
3/4 Inch	\$28.65 minimum	
1 Inch	\$38.96 minimum	
1 ¼ & 1 ½ Inch	\$57.30 minimum	
2 Inch	\$77.94 minimum	
3 Inch	\$114.60 minimum	
4 Inch	\$153.58 minimum	
6 Inch	\$229.20 minimum	
8 Inch	\$304.83 minimum	
10 Inch	\$382.75 minimum	
Volumetric Tiers		
Volume	Rate Charge	
0-2,000 gallons	Minimum (see above)	
2,001-5,000 gallons	\$8.25 per 1,000 gallons	
5,001-10,000 gal	\$9.40 per 1,000 gallons	
> 10,000 gallons	\$9.86 per 1,000 gallons	
Reuse Water		
Volume	Rate Charge	
0-2,000 gallons	\$6.62 minimum fee	
Over 2,000 gallons	\$1.10 per thousand	

Existing Rate Structures

Retail Rates

Gainesville Retail Rate Structure	
City of Gainesville	Rate Charge
Base Rate	\$27.78 minimum
Residential (per 1,000 gallons)	\$8.88
Commercial (per 1,000 gallons)	\$11.77

Braselton Retail Sewer Rates		
Retail sewer rates are primarily separated by inside/outside the city limits. Rate tiers are applied thereafter. Inside sewer rates are further separated by residential and commercial users.		
Base charge includes first 2,000 gallons per month unless stated otherwise.		
Inside City Limits		
Volume	Residential	Commercial
First 2,000 gallons	\$25.22 minimum	Minimum (see below)
2,001-5,000 gallons	\$9.19 per 1,000 gallons	\$10.31 per 1,000 gallons
5,001 and above	\$10.09 per 1,000 gallons	\$11.35 per 1,000 gallons
Commercial - Base Charges		
Current Rates	Minimum Sewer Fees	
3/4 Inch	\$28.65 minimum	
1 Inch	\$38.96 minimum	
1 1/4 Inch & 1 1/2 Inch	\$57.30 minimum	
2 Inch	\$77.94 minimum	
3 Inch	\$114.60 minimum	
4 Inch	\$153.58 minimum	
Outside City Limits		
Volume	Residential	
First 2,000 gallons	\$37.84 minimum	
2,001-5,000 gallons	\$9.19	
5,001 and above	\$10.09	
Hall County Users		
Base Charge	\$13.03 minimum	
Usage Rate <i>For a maximum usage charge of \$90.99</i>	\$10.90 per 1,000 gallons	

Wholesale Rates

The Town sells wholesale water to the City of Hoschton under a five-year contract effective August 13th, 2021. There is a maximum purchase agreement of 200,000 gallons per day with no minimum. There is also a stipulation in the contract for an annual percentage increase to be applied every year along with the retail rate adjustments. This rate is \$3.35 per 1,000 gallons as of January 2025.

Existing Rate Structures

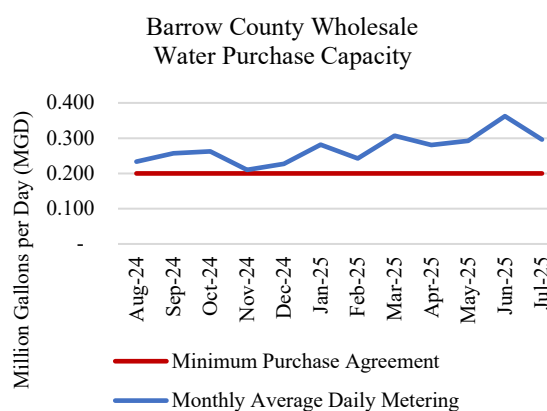
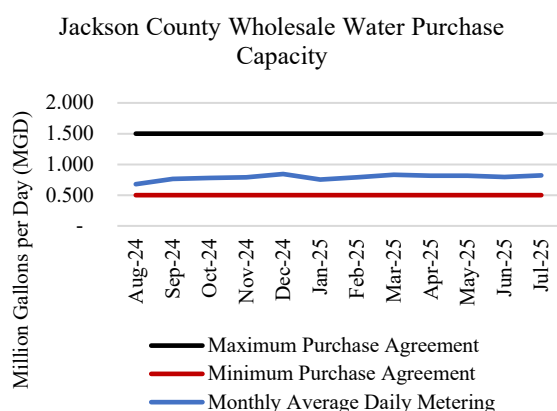
Wholesale Purchase Agreements & Retailers

The Town has a maximum purchase allowance of 1,000,000 GPD on a monthly average with the Jackson County Water-Sewer Authority. The Authority issues water purchase agreements for 18 months duration. The Authority is a partner in the Upper Oconee Basin Water Authority and shares an allocation of the raw water source and the Authority's water treatment facility. The Authority is underway with a major expansion program which essentially doubles the water supply for the Authority members. The Jackson County Water and Sewerage Authority is expected to have ample water for its wholesale and retail customers for the foreseeable future.

The Barrow County water purchase agreement is currently a minimum monthly average of 200,000 GPD until June 2033. There are discussions regarding the purchase agreement increasing to 2,000,000 GPD in the near future. Barrow County is also a partner in the Upper Oconee Basin Authority and will have considerable water for resale to wholesale customers after the proposed facility expansion. Barrow is committed to making considerable upgrades to the water infrastructure in the northern section of the County in order to sell additional water to the Town of Braselton. The Town will also need to upgrade certain portions of the local infrastructure to be able to accommodate increased water purchase from Barrow County. Design plans are underway for this improvement which is being funded by ARPA funds and local funds.

The Gwinnett County water connection is essentially a retail water source, since Gwinnett does not offer wholesale rates or contracts. The wholesale purchase agreements are summarized below:

Wholesale Purchase Water Allowances & Rates			
Purchase Agreement	Jackson County	Barrow County	Gwinnett County
Minimum Purchase Requirement	1,500,000 gallons per month (about 50,000 GPD)	200,000 GPD, monthly average	NONE
Maximum Purchase Limit	1,000,000 GPD, daily	NONE	NONE
Annual Average Daily Water Purchases from Most Recent 12 Months (Aug '24 – Jul '25 MORs)	785,000 GPD	257,000 GPD	564,000 GPD
Wholesale Rate per 1,000 gallons	\$2.95 if over minimum limit \$3.25 if under minimum limit	\$2.94 \$17,640 minimum purchase	\$5.78



Existing Rate Structures

User Rate Comparisons

Detailed below is a table comparing the water and sewer rates as well as tap fees of surrounding systems. The tap fees include both water and sewer. Please note how Braselton's current connection fees are less than five of the eight other systems listed. The table also shows how Braselton's combined water and sewer bill makes up the lowest percentage of the median household income, tied with Oconee County.

2025 Area Water & Sewer Rates and Connection Fees							
Based on a typical residential user located inside city limits with the metered usage of 4,500 gallons per month							
Utility Provider	Date of Last Rate Adjustment	Water Bill	Sewer Bill	Total Utility Bill	Median Household Income	W/S Bill %MHI	Total W/S Tap Fees
Town of Braselton	1/1/2025	\$48.16	\$48.20	\$96.36	\$113,810	1.0%	\$10,212
City of Hoschton	6/20/2022	\$46.72	\$50.94	\$97.66	\$96,081	1.2%	\$13,400
City of Jefferson	1/1/2025	\$50.30	\$72.25	\$122.55	\$96,761	1.5%	\$13,130
City of Winder	8/1/2025	\$50.71	\$50.23	\$101.94	\$59,944	2.0%	\$18,873
Barrow County	7/1/2025	\$43.58	\$48.58	\$92.16	\$77,477	1.4%	\$14,885
Jackson County	2/1/2025	\$50.81	\$65.21	\$116.02	\$85,012	1.6%	\$19,500
City of Auburn	7/1/2025	\$61.16	\$51.36	\$112.52	\$78,317	1.7%	\$5,375
Oconee County	7/1/2025	\$45.81	\$53.35	\$99.16	\$115,925	1.0%	\$7,240
Flowery Branch	6/1/2025	\$50.04	\$67.85	\$117.89	\$88,185	1.6%	-
City of Statham	10/1/2024	\$43.65	\$35.12	\$78.77	\$67,444	1.4%	\$9,850

Water and sewer tap fees listed above include any other administrative or capacity fee included in the connection of a new residential home. It is assumed that the user is a single-family resident with 1 ERU obtaining a full connection installed by the city/county with a ¾-inch meter, wherever this is applicable. It should be noted that most systems also charge the actual cost of installation on a case-by-case event, so the actual total amount paid by users may be more than what is estimated by the city or this report.

Barrow County owns four different wastewater treatment facilities with three different structures. The water and sewer bills listed above are based on the rate structures for the Tanners Bridge, Barber Creek, and Cedar Creek wastewater treatment facilities. The Mulberry wastewater treatment facility has an additional \$1 base charge included in their sewer rates. The \$14,885 taps fees are based on the Tanners Bridge and Barber Creek facility charges. At the Cedar Creek facility, this is \$15,085. And at the Mulberry facility, it is \$18,385.

Auburn's utility rate structure, which is available through their website, does not list connection and tap fees. It lists the charge for a new water meter, administrative fee, and service deposit, which are included above. Sewer tap amounts are not listed on their structure or website.

Oconee County rates and connection structure does not list ¾-inch meters as an option, only 5/8-inch meters. This is used in estimating charges for the above table.

Flowery Branch does not have their connection fees available online.

Statham rates were reportedly increased by 7% for water and 9% for sewer effectively on October 1, 2024, according to a city council minutes document published online on August 20, 2024. The official updated rate structure is not yet available online, however, only the previous structure from July 1, 2020. Therefore, the 2020 structure was adjusted by the rate increases for this report. These adjustments were applied to other than the monthly bill rates as well as the tap fees.

The median household income values are from the US Census Bureau, American Community Survey, 2023: ACS 5-Year Estimates Subject Tables, Table S1901: Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars).

Water and Sewer Customer Base

Top Users

The ten largest water and sewer users are listed on the following pages based on the total rate revenues billing in the monthly bill reports from July 2024 to June 2025.

The largest water customer is the City of Hoschton, which owns two separate water accounts. Hoschton makes up 13% of the total water system demand but only about 4% of total water rate revenues. A total of 717,920,940 gallons of metered water usage was observed in this bill distribution, with a total amount of \$7,486,217 charges to customers. The charge values do not include penalty charges or take into consideration the amount of revenue actually collected from the customers.

Rank	Account Name	Total Water Volume Demand	% Water Volume Demand	Water Rate Revenues Demand	% Water Rate Revenues
1	CITY OF HOSCHTON	94,277,210	13.13%	\$307,543	4.11%
4	CHATEAU ELAN WINERY & RESORT	23,165,820	3.23%	\$261,666	3.50%
2	ULINE INC	16,941,730	2.36%	\$167,525	2.24%
3	TRILOGY FOODS LLC	14,319,100	1.99%	\$140,696	1.88%
5	D.R. HORTON INC	5,806,000	0.81%	\$57,523	0.77%
6	YES ENERGY	3,921,500	0.55%	\$44,353	0.59%
7	MAINSTREET BRASELTON APARTMENTS	3,176,160	0.44%	\$41,186	0.55%
8	WOODLANDS AT CHATEAU ELAN OWNERS ASSOCIATION INC	2,637,730	0.37%	\$38,278	0.51%
9	SPEEDWAY SUPERAMERICA #195 - PILOT TRAVEL CENTERS	3,195,900	0.45%	\$32,201	0.43%
10	DUKE REALTY	2,681,580	0.37%	\$31,940	0.43%

Water and Sewer Customer Base

Top Users

The largest sewer account is owned by the City of Oakwood, making up more than 7% of sewer revenues. Below is a table of these top users based on the amount of revenue collected from each user. Each user may have more than one account number. D.R. Horton, Inc., for example, has a total of 145 unique sewer account numbers from the twelve months of billing documents.

Additionally, billing records have a separate service code for Hall County users, a base rate code and a usage rate code, separate from the general “Sewer” code. These totals are taken into consideration in this table. There was a total of \$5,143,288 charged in sewer bills, \$1,482 in Hall county sewer base rates, and \$5,012 in sewer usage rates, making a grand total of \$5,149,781 charged in all sewer related bills. Likewise, there was a total sewer meter billing of 458,960,323 in general sewer accounts and 509,705 in Hall County usage rates, for a total of 459,470,028. Please note that sewer metering is based on the water meter reading for the same account and does not represent the actual volume of sewer generated by the customer. The charge values do not include penalty charges or take into consideration the amount of revenue actually collected from the customers.

Rank	Account Name	Total Sewer Volume Billed *based on water metering	% Sewer Volume Billed	Sewer Rate Revenues Demand	% Sewer Rate Revenues
1	CITY OF OAKWOOD	34,232,043	7.45%	\$383,584	7.45%
2	CHATEAU ELAN WINERY & RESORT	17,158,350	3.73%	\$199,393	3.87%
2	TRILOGY FOODS LLC	14,319,100	3.12%	\$159,503	3.10%
4	D.R. HORTON INC	5,806,600	1.26%	\$58,752	1.14%
5	YES ENERGY	3,199,900	0.70%	\$37,056	0.72%
6	SPEEDWAY SUPERAMERICA #195 - PILOT TRAVEL CENTERS	3,195,900	0.70%	\$36,032	0.70%
7	BRASELTON EXPRESS WASH	3,000,500	0.65%	\$33,440	0.65%
8	HOLIDAY INN EXPRESS & SUITES	2,568,600	0.56%	\$29,063	0.56%
9	MAINSTREET BRASELTON APARTMENTS	2,296,030	0.50%	\$28,591	0.56%
10	THE WILLIAM CARTER COMPANY	2,233,600	0.49%	\$25,890	0.50%

Water and Sewer Customer Base

Bill Distribution

Below is a summary of the bill distribution from July 2024 to June 2025. These values are indexed from billing reports of all customer accounts provided by the city.

WATER BILL

Bill Summary	
Demand (gallons)	
Min	-
Q2	2,190
Median	3,800
Q3	6,290
Max	10,727,960

Average Bill	
No of Bills	90,039
Demand (gallons)	
Total Metered Usage	717,920,940
AVG Usage per Bill	7,973
Charges Applied	
Total Charges Applied	\$7,487,217
AVG Charge per Bill	\$83.14
Median Charge Distributed	\$45.79

Bill Distribution (gallons)	
Base: <2,000	20,083
0	3,061
1-1,000	6,459
1-2k	10,563
2-3K	14,256
3-4k	13,266
4-5k	10,442
5-7k	13,160
7-10k	8,389
10-15k	4,677
15-20k	1,768
20-50k	2,907
50-100k	689
100-200k	254
200-500k	87
500k-1M	25
>1M	36

SEWER BILLS

Bill Summary	
Demand (gallons)	
Min	-
Q2	2,250
Median	3,760
Q3	6,070
Max	3,523,800

Average Bill	
No of Bills	68,176
Demand (gallons)	
Total Metered Usage	459,470,028
AVG Usage per Bill	6,739
Charges Applied	
Total Charges Applied	\$5,149,781
AVG Charge per Bill	\$75.54
Median Charge Distributed	\$41.10

Bill Distribution (gallons)	
Base: <2,000	14,377
0	1,148
1-1,000	4,753
1-2k	8,476
2-3K	11,451
3-4k	10,587
4-5k	8,295
5-7k	10,397
7-10k	6,404
10-15k	3,344
15-20k	1,113
20-50k	1,616
50-100k	352
100-200k	152
200-500k	52
500k-1M	6
>1M	30

Water and Sewer Customer Base

Customer Characterization

Residential customers served by ¾” meters inside the town limits (rate code WAWH) make up more than three quarters of all customer accounts, consuming 50% of the total system’s water demand and generating about 48% of the total system’s water rate revenues. Of all the water bills summarized below, this includes 7,695 unique account names, across 8,941 unique account numbers. Many of these accounts may only appear for a couple months of the year, so these values may not represent the number of accounts at the end of the year or in a single billing period.

Reuse water bills are not included in the water or sewer bill distributions, but a quick summary of these users is included below.

Water Customer Characterization							
Rate Code	No. of Bills	Average Usage per Bill (gallons)	Average Bill Charge	Total of All Usage (gallons)	% Demand of Entire System	Total of All Charges Applied	% Revenue of Entire System
WA FIRE HYDRANT	60	79,285	\$766.47	4,757,100	0.66%	\$45,988	0.61%
WA1W	778	10,744	\$132.91	8,359,090	1.16%	\$103,402	1.38%
WAHOS	24	3,928,217	\$12,814.29	94,277,210	13.13%	\$307,543	4.11%
WAJCO	3	596,200	\$1,997.18	1,788,600	0.25%	\$5,992	0.08%
WAW	14,136	4,870	\$66.96	68,838,380	9.59%	\$946,589	12.64%
WAW1	5,276	12,292	\$141.15	64,851,140	9.03%	\$744,722	9.95%
WAW2	1,337	43,812	\$546.75	58,576,750	8.16%	\$731,008	9.76%
WAW3	216	204,698	\$2,211.89	44,214,760	6.16%	\$477,769	6.38%
WAW4	42	80,155	\$1,206.44	3,366,500	0.47%	\$50,671	0.68%
WAW6	12	1,001,750	\$10,537.88	12,021,000	1.67%	\$126,455	1.69%
WAW8	24	6,992	\$1,482.63	167,800	0.02%	\$35,583	0.48%
WAWA 1" OUTSIDE	452	7,958	\$125.17	3,597,040	0.50%	\$56,576	0.76%
WAWB	1,017	5,424	\$65.82	5,516,370	0.77%	\$66,941	0.89%
WAWD	36	63,899	\$805.84	2,300,370	0.32%	\$29,010	0.39%
WAWH	66,162	5,177	\$56.30	342,550,200	47.71%	\$3,724,909	49.76%
WAWM	261	5,956	\$53.27	1,554,450	0.22%	\$13,903	0.19%
WAWO	168	3,530	\$65.05	593,080	0.08%	\$10,929	0.15%
WAWQ	35	16,889	\$235.13	591,100	0.08%	\$8,229	0.11%
TOTALS:	90,039	7,973	\$83.14	717,920,940	100.00%	\$7,486,217	100.00%

Reuse Water Characterization							
Rate Code	No. of Bills	Median Usage per Bill (gallons)	Median Bill Charge	Average Usage per Bill (gallons)	Average Bill Charge	Total of All Reuse Demand (gallons)	Total of All Charges Applied
REUSE WATER	2,270	4,590	\$9.47	16,083	\$23.05	36,507,770	\$52,329

Water and Sewer Customer Base

Customer Characterization

Similarly, residential sewer users (rate code SWS) make up 67% of the sewer rate revenue. Of all the sewer bills summarized below, there are 6,070 unique account names, across 6,953 unique account numbers. Many of these accounts may only appear for a couple months of the year, so these values may not represent the number of accounts at the end of the year or in a single billing period. Sewer billing is based on water metering, so the sewer usage values may not represent the true volume of sewer generated by the user.

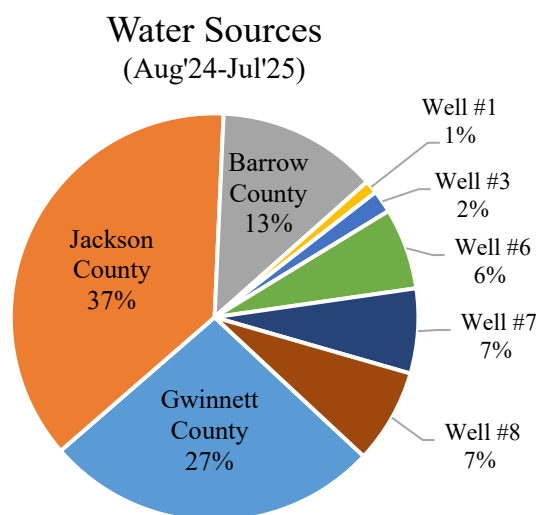
Sewer Customer Characterization							
Rate Code	No. of Bills	Average Usage per Bill (gallons)	Average Bill Charge	Total of All Usage (gallons)	% Demand of Entire System	Total of All Charges Applied	% Revenue of Entire System
HC3/4	2	625	\$19.84	1,250	<0.01%	\$40	<0.01%
HC3/4 BASE	113	-	\$13.11	-	-	\$1,482	0.03%
HCRES	110	4,634	\$45.56	509,705	0.11%	\$5,012	0.10%
SW-10"	12	2,852,670	\$31,965.31	34,232,043	7.45%	\$383,584	7.45%
SW-OUTSIDE	1,798	4,395	\$63.40	7,901,960	1.72%	\$114,000	2.21%
SWS	62,505	4,987	\$54.25	311,727,030	67.84%	\$3,390,939	65.85%
SWS1	1,434	7,204	\$76.78	10,330,970	2.25%	\$110,096	2.14%
SWS2	869	46,235	\$566.56	40,178,210	8.74%	\$492,344	9.56%
SWS3	204	140,219	\$1,638.95	28,604,760	6.23%	\$334,346	6.49%
SWS4	30	107,257	\$1,330.71	3,217,700	0.70%	\$39,921	0.78%
SWSC1	374	14,946	\$180.79	5,589,710	1.22%	\$67,616	1.31%
SWSCO	790	6,314	\$81.80	4,987,890	1.09%	\$64,625	1.25%
SWSEW	12	-	\$27.97	-	0.00%	\$336	0.01%
SWSM	36	338,578	\$4,040.03	12,188,800	2.65%	\$145,441	2.82%
TOTALS:	68,289	6,739	\$75.41	459,470,028	100.00%	\$5,149,781	100.00%

Capacity & Growth Analysis

Water Supply & Sources

Below is a summary of the drinking water sources, their average supply from the last twelve months, and capacity limitations.

The annual monthly average water demand is 2.130 MGD with a peak monthly demand of 2.934 from July 2025. Purchase water makes up 76% of the total water supply, with over 64% being supplied by Jackson and Gwinnett County. A little more than half of the Jackson County purchase allowance is being utilized. There is no limit outlined in the wholesale water purchase agreement with Barrow County or provided by Gwinnet County. Wells #8 makes up a third of the groundwater supply, followed by well #7 and well #6. About 56-59% of the total groundwater withdrawal limit is being utilized right now given the capacity of the existing wells.



Current Water Supply Sources						
From the most recent 12 months of monthly operating reports (MORs) from August 2024 to July 2025						
Groundwater Wells	Well #1	Well #3	Well #6	Well #7	Well #8	Total
Annual Average Daily Production	0.022	0.038	0.137	0.143	0.159	0.501
Peak Monthly Average Daily Production	0.028 Mar'25	0.040 Oct'24	0.182 Jul'25	0.183 Aug'24	0.189 Feb'25	0.532 Mar'25
Peak Daily Production & Peaking Factor	0.043 Jul'25	0.045 Jan'25	0.236 Jun'25	0.204 Jun'25	0.197 Feb'25	0.567 Jun'25
Total Withdrawal Allowance & Percent Used	Combined 0.895 MGD withdrawal 56-59%					
Purchase Water	Jackson County	Barrow County	Gwinnett County	Total		
Annual Average Daily Supply	0.790	0.271	0.568	1.629		
Peak Monthly Average Daily Supply	0.844 Dec'24	0.362 Jun'25	1.507 Aug'24	2.419 Aug'24		
Total Availability & Percent Capacity Used	1.500 53-56%	-	-	-		
Total Water System	Wells		Purchase Water		Total Water Supply	
Annual Average Daily Supply & Percent of Total Supply	0.501 24%		1.629 76%		2.130	
Peak Monthly Average Daily Supply	0.532 Mar'25		2.419 Aug'24		2.934 Jul'25	

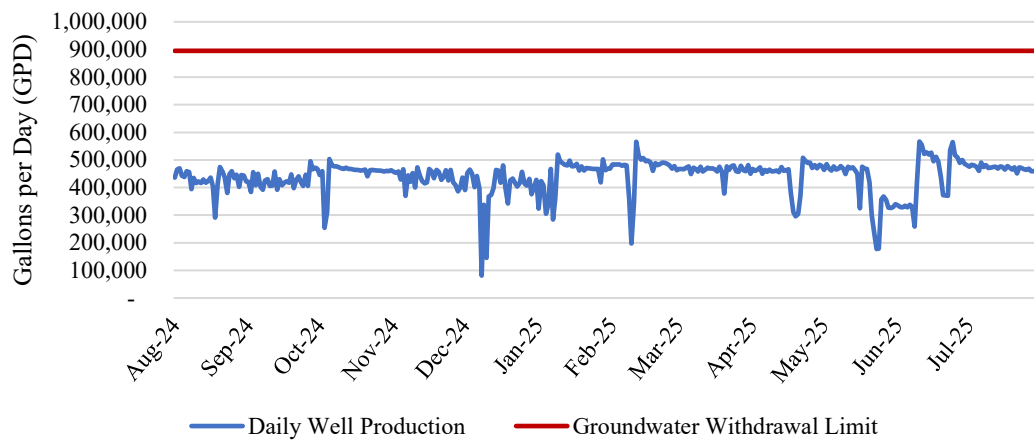
Capacity & Growth Analysis

Water Supply & Sources

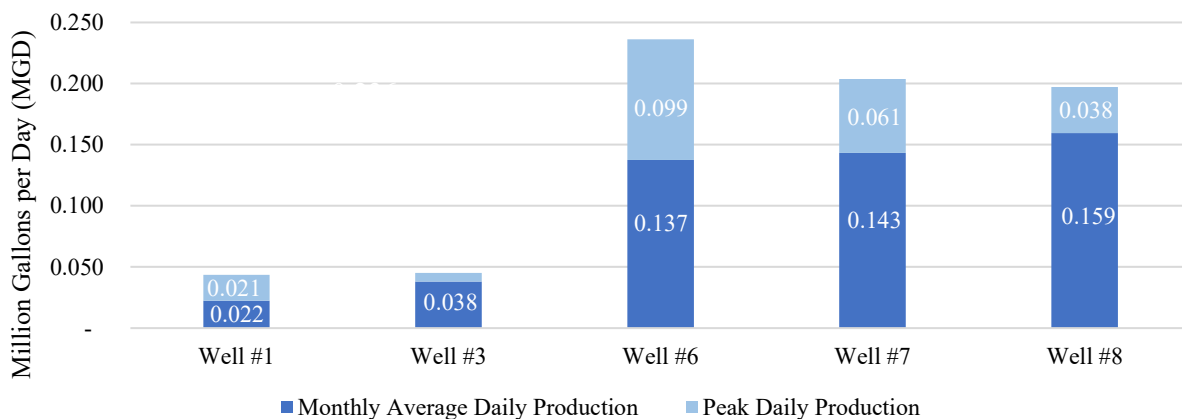
The Town has a groundwater withdrawal permit of 0.895 MGD but had an average well production of about 0.501 MGD from the most recent months of August 2024 to July 2025. The highest production month was March 2025, with an average daily production of 0.532 MGD and a peak daily production of 0.636 MGD on February 11, 2025. This only makes up 60-70% of the available groundwater withdrawal allowance. For this reason, the Town has completed an aggressive groundwater development program since 2018. Two new wells are anticipated to come online during the fiscal year 2026 which is expected to add about 0.216 MGD in capacity.

Treating and producing groundwater can cost anywhere from \$0.10 to \$3.50 per 1,000 gallons depending on the long-term capital and debt requirements associated with the wells. As mentioned before, the cost to purchase water from Jackson or Barrow County is about \$2.95 per 1,000 gallons. And Gwinnet County water is \$5.78 per 1,000 gallons. For this reason, the city is motivated to further develop their groundwater resources to maintain long-term operating costs and build a resilient system.

Daily Groundwater Well Production



Groundwater Well Daily Production

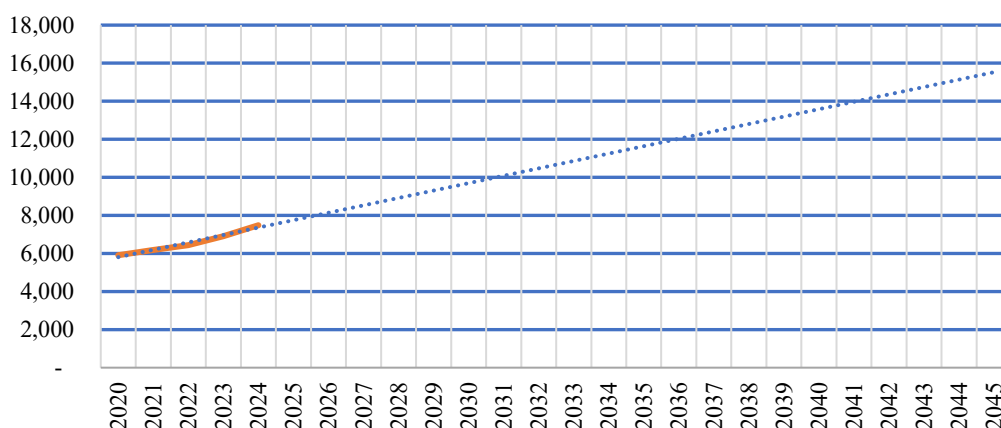


Capacity & Growth Analysis

Water System Demand Customer Projections

The water system has been adding about 400 new accounts every year at a relatively linear rate.

Water Customers Projection



Number of Water Accounts & Annual Growth			
End of Calendar Year	Number of Water Accounts	Annual Growth in Water Accounts	Annual % Growth in Water Accounts
2020	5,909		
2021	6,178	269	5%
2022	6,433	255	4%
2023	6,916	483	8%
2024	7,484	568	8%
AVERAGE ANNUAL GROWTH:		394	6%

At the end of calendar year 2024, there was an average water demand of 7,470 gallons per month. This is based on a total billed water metering of 670,775,940 gallons across 7,484 accounts for the entire year.

Reuse water customers have also been growing at a rate of about 16 additional accounts a year, or 11% annual growth, based on the average for the last five years. There were 190 reuse accounts as of December 2025. Reuse rate revenues have stayed relatively consistent, however.

Capacity & Growth Analysis

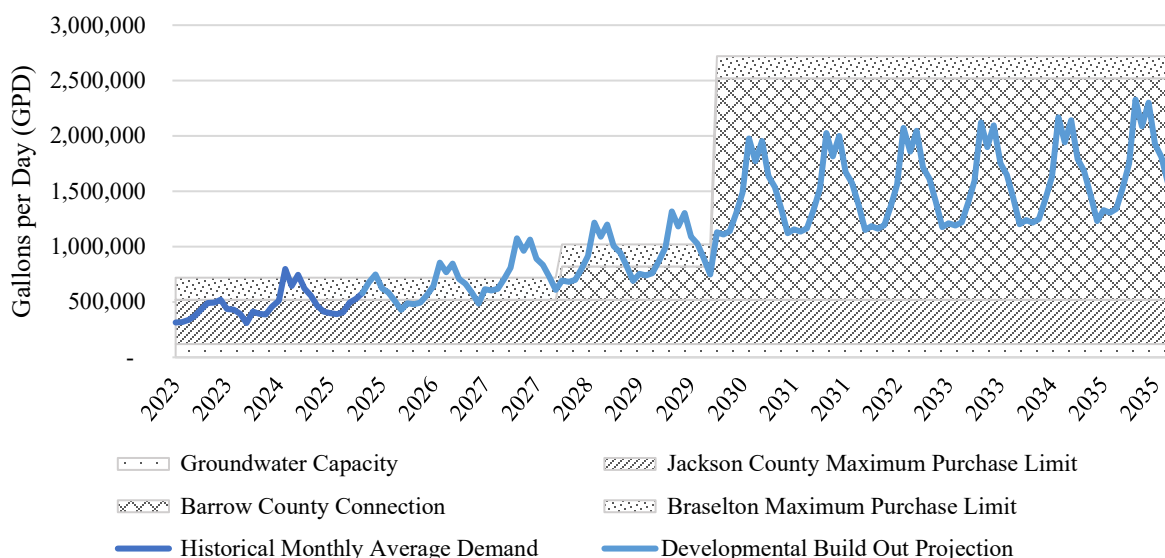
Regional Water System Planning

The City of Hoschton is undergoing rapid growth, which is primarily going to be placed on the Braselton water system until the Barrow County connection and expansion projects are completed. Barrow County is working with Precision Planning Inc. to expand their water system, which is reported to offer both Hoschton and Braselton 2.0 MGD capacity each by 2030. EMI is currently working on an interconnection project between Hoschton and Barrow County which is projected to offer 0.3 MGD by 2027. Hoschton and Braselton will both be connected to Barrow County and Jackson County, and Hoschton buying water from Braselton is primarily Gwinnett sourced purchase water until the other expansion projects are completed. For this reason, regional planning for both systems must be included.

As stated before, the wholesale purchase agreement between Hoschton and Braselton has a maximum purchase capacity of 0.2 MGD, but Hoschton has purchased up to 0.4 MGD in peak summer months the last two years from their recent growth. It is expected for Hoschton to continue to purchase their surplus supply from Braselton until the Barrow County water system expansion can offer Hoschton 2.0 MGD capacity. The following pages include graphs and tables showing these projections.

Hoschton Annual Average Daily Demand & Source Supplies (GPD)			
Source Supply	Hoschton Groundwater	Braselton Water System	Jackson County
2023	120,803	77,259	206,736
2024	101,188	208,617	224,008
YTD2025	92,336	232,604	141,533
Maximum Purchase / Groundwater Withdrawal Limit	150,000	200,000	400,000

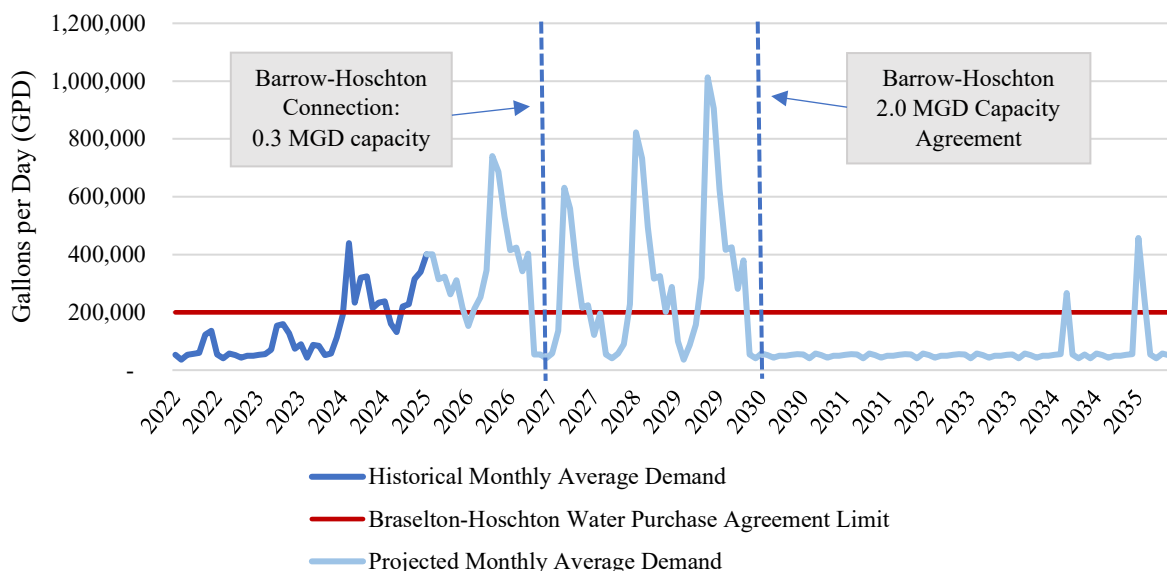
Hoschton Water System Demand & Capacity Projection



Capacity & Growth Analysis

Regional Water System Planning

Hoschton Water Purchase Projection from the Braselton Water System

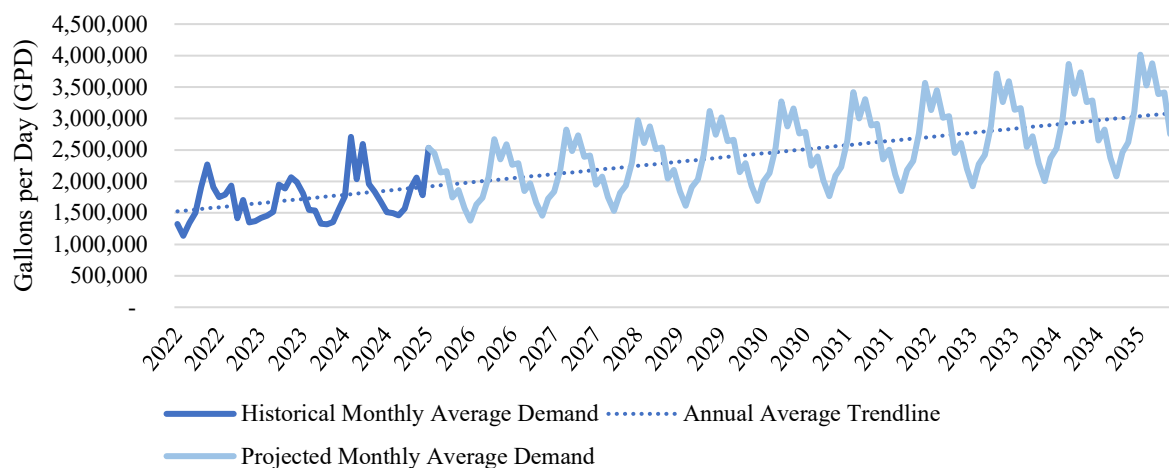


Estimated Hoschton Build Out Increasing Demand on the Braselton Water System								
Year	Hoschton Demand		Hoschton Capacity					Est. Hoschton Water Demand from the Braselton Water System
	Build Out Demand	Water System Demand	Ground Water Capacity	Jackson Co. Max. Purchase Limit	Barrow County Connection	Braselton Water Purchase Agreement	Total Hoschton Capacity	
2023		0.405	0.120	0.400	-	0.200	0.720	0.077
2024	0.129	0.534	0.120	0.400	-	0.200	0.720	0.209
2025	0.024	0.558	0.120	0.400	-	0.200	0.720	0.232
2026	0.074	0.632	0.120	0.400	-	0.200	0.720	0.306
2027	0.162	0.793	0.120	0.400	0.300	0.200	0.720	0.168
2028	0.103	0.896	0.120	0.400	0.300	0.200	1.020	0.271
2029	0.076	0.972	0.120	0.400	0.300	0.200	1.020	0.347
2030	0.486	1.458	0.120	0.400	2.000	0.200	2.720	Projected Barrow County Water System Expansion: Providing both Hoschton & Braselton 2.0 MGD
2031	0.035	1.493	0.120	0.400	2.000	0.200	2.720	
2032	0.035	1.528	0.120	0.400	2.000	0.200	2.720	
2033	0.035	1.563	0.120	0.400	2.000	0.200	2.720	
2034	0.035	1.598	0.120	0.400	2.000	0.200	2.720	
2035	0.118	1.716	0.120	0.400	2.000	0.200	2.720	

Capacity & Growth Analysis

Regional Water System Planning

Braselton Only Water Demand Projection
(Hoschton wholesale purchases removed)



Projected Water Demand within the Braselton Water System						
Year	Total Braselton Water System		Hoschton Demand from Braselton Water System		Braselton Only Water Demand	
	Annual Average Demand	Annual % Increase	Annual Average Demand	Annual % Increase	Annual Average Demand	Annual % Increase
2022	1.729		0.064		1.665	
2023	1.743	1%	0.085	32%	1.658	0%
2024	2.012	15%	0.209	147%	1.803	9%
2025	2.150	7%	0.283	36%	1.878	4%
2026	2.391	11%	0.390	38%	2.027	8%
2027	2.603	9%	0.490	25%	2.140	6%
2028	2.815	8%	0.590	20%	2.252	5%
2029	3.027	8%	0.689	17%	2.365	5%
2030	3.239	7%	0.789	14%	2.478	5%
2031	3.450	7%	0.888	13%	2.590	5%
2032	3.680	7%	0.996	12%	2.713	5%
2033	3.874	5%	1.087	9%	2.816	4%
2034	4.086	5%	1.187	9%	2.929	4%
2035	4.298	5%	1.286	8%	3.041	4%
PROJECTED AVERAGE:		7%		18%		5%

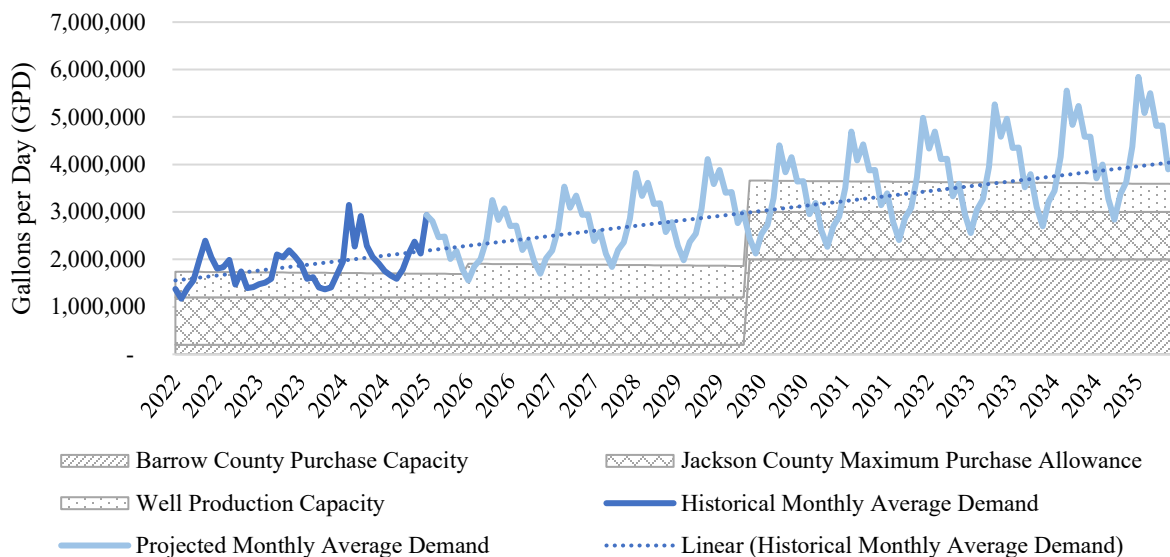
Capacity & Growth Analysis

Regional Water System Planning

Based on the projection tables and graphs on the previous pages, Hoschton is expected to reach a water system demand of 1.3 MGD by 2035 based on a linear trendline of their growth from the last two years. According to their proposed development build out, their water demand may be as high as 1.7 MGD by 2035. Houston's connection to Barrow County and Barrow's expansion projects are expected to reduce Houston's water demand from Braselton. But until Barrow County completes their expansion, Hoschton will have to exceed their maximum purchase agreement with Braselton during their peak summer months, as they have for the last two summers. This demand is expected to reach as high as 1.0 MGD.

There will be revenue loss for Braselton since they are also approaching their maximum capacity for internal groundwater production and wholesale purchase amounts. Meaning, all supplemental water sold to Houston will be sourced from Gwinnett County. Gwinnett sales retail water supply to Braselton at \$5.78 per 1,000 gallons, which is then sold to Hoschton at \$3.35 per 1,000 gallons.

Total Braselton Water System Demand & Capacity Projection



Over the next ten years, Braselton retail water customer demand (excluding wholesale demand from Hoschton) is expected to grow an average of 5% annually. This is based on the historical water supply demand from the last three years of monthly operating reports and correlates with the 5% annual growth in Braselton water accounts from the billing records of the last five years. The wholesale Hoschton demand is projected to grow an average of 18% annually. This may change once Barrow County's expansion comes online, as it will diversify both the Braselton and Hoschton water supply.

The above graph shows the total Braselton water system demand (including retail and wholesale). Water demands graphed above the blocked capacity amounts will have to be purchased from Gwinnett. It is projected for the annual average demand to reach as high as 4.0 MGD by 2035. But, again, depending on how Hoschton chooses to source their water supply with the proposed Barrow expansion in 2030, the Braselton water demand may cap off around 3.0-3.5 MGD. Peak monthly demands may be as high as 6.0 MGD.

Capacity & Growth Analysis

Assumptions Used in Water Cash Flow Projections

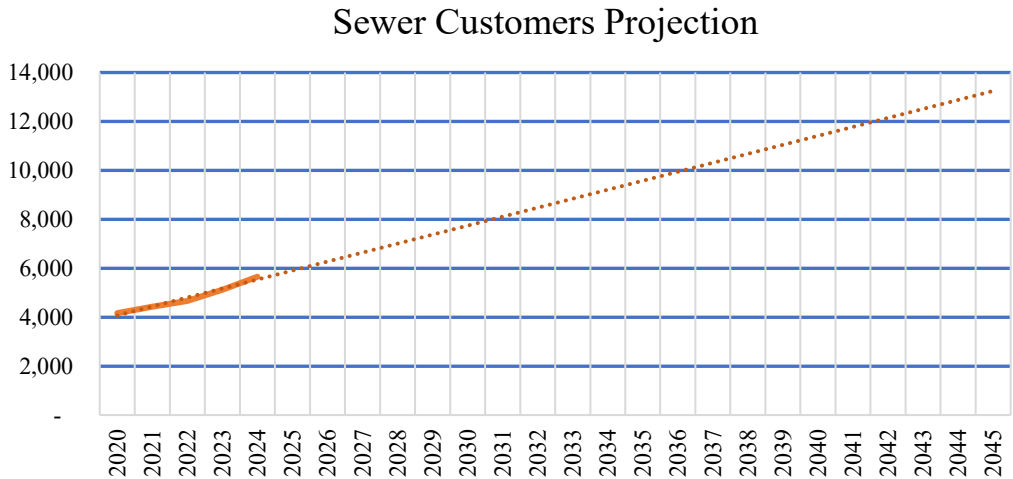
It is assumed that about 400 new water accounts will continue to be added every year for at least the next five years for the scope of this financial analysis. It is assumed that these accounts will consume the average demand of 7,470 gallons per month observed in the last complete calendar year of 2024. Under the existing rate structure, this is estimated to generate about \$76 a month. Over 400 new accounts, this is estimated to bring in an additional \$365,000 each year. On top of this, an annual 5% rate increase is planned to be implemented every year, to both retail customers and wholesale rates applied to Hoschton. These are included in the cash flow projections.

Reuse rate revenues are projected to increase annually by 5% solely due to the annual 5% rate increase. Water tap fees for the typical ¾" residential user is estimated to charge about \$2,600 under the current rate structure. All other water related revenues such as miscellaneous fees are projected to increase at their historical trendline. These assumptions are outlined in the appendix.

Capacity & Growth Analysis

Sewer System Demand & Projections

There were 5,653 sewer accounts reported on city billing documents by the calendar end of 2024. The sewer system adds an average of about 400 new accounts every year at a relatively linear rate.



Number of Sewer Accounts & Annual Growth			
End of Billing Period	Number of Sewer Accounts	Annual Growth in Sewer Accounts	Annual % Growth in Water Accounts
2020	4,166		
2021	4,423	257	6%
2022	4,664	241	5%
2023	5,119	455	10%
2024	5,653	534	10%
AVERAGE ANNUAL GROWTH:		372	8%

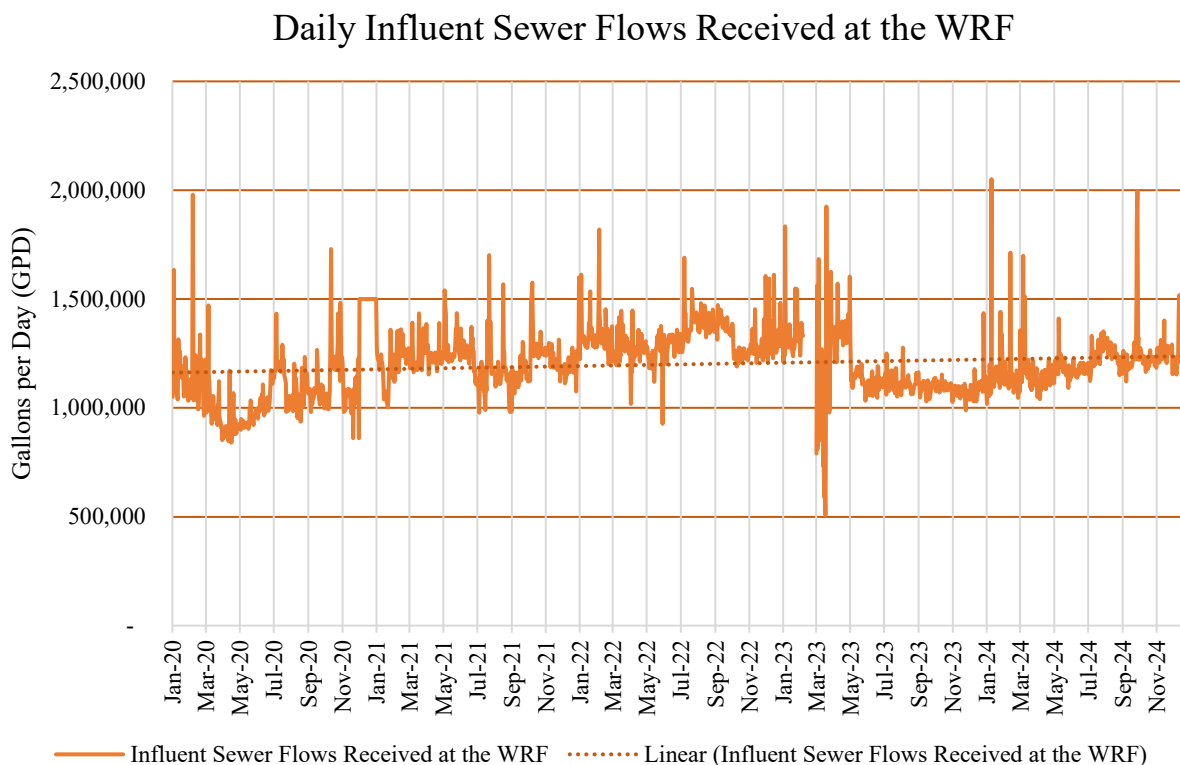
In addition to Town customers, Braselton also receives wastewater from the City of Oakwood. The Town provides wastewater treatment to Oakwood through an Intergovernmental Agreement (IGA). Oakwood’s contract reserves a treatment capacity of 175,000 GPD. In March 2024, the City of Oakwood was utilizing an average daily flow of 70,000 GPD.

Barrow County also has an allocation of 175,000 GPD for wastewater treatment services. As of March 2024, none of this capacity is utilized. Barrow County is planning new developments, however, and is seeking to request a total sewer capacity allocation of 0.800 MGD, which is included in the projections.

The Town has been in the planning stages of an expansion project to increase the WRF capacity to 3.5 MGD. The planning phases have included an antidegradation analysis, environmental information document, and a design development report. In addition, plans and specifications have been completed, all public meeting has been held and the expansion permit to 3.5 MGD issued by the Georgia EPD.

Capacity & Growth Analysis

Sewer System Demand & Projections



In the calendar year of 2024, there was an average flow of 1.207 MGD received at the WRF. There has been an average annual growth in sewer flows of about 3% over the last five years. The average sewer demand per account is about 6,490 gallons per customer per month, based on 1.207 MGD demand over 5,653 accounts.

Annual Sewer Flows		
Calendar Year	Annual Average Daily Influent Sewer Flow (GPD)	Annual % Increase in Sewer Flow
2020	1,103,328	
2021	1,217,319	10%
2022	1,317,448	8%
2023	1,152,212	-13%
2024	1,206,950	5%
AVERAGE ANNUAL GROWTH:		3%

Capacity & Growth Analysis

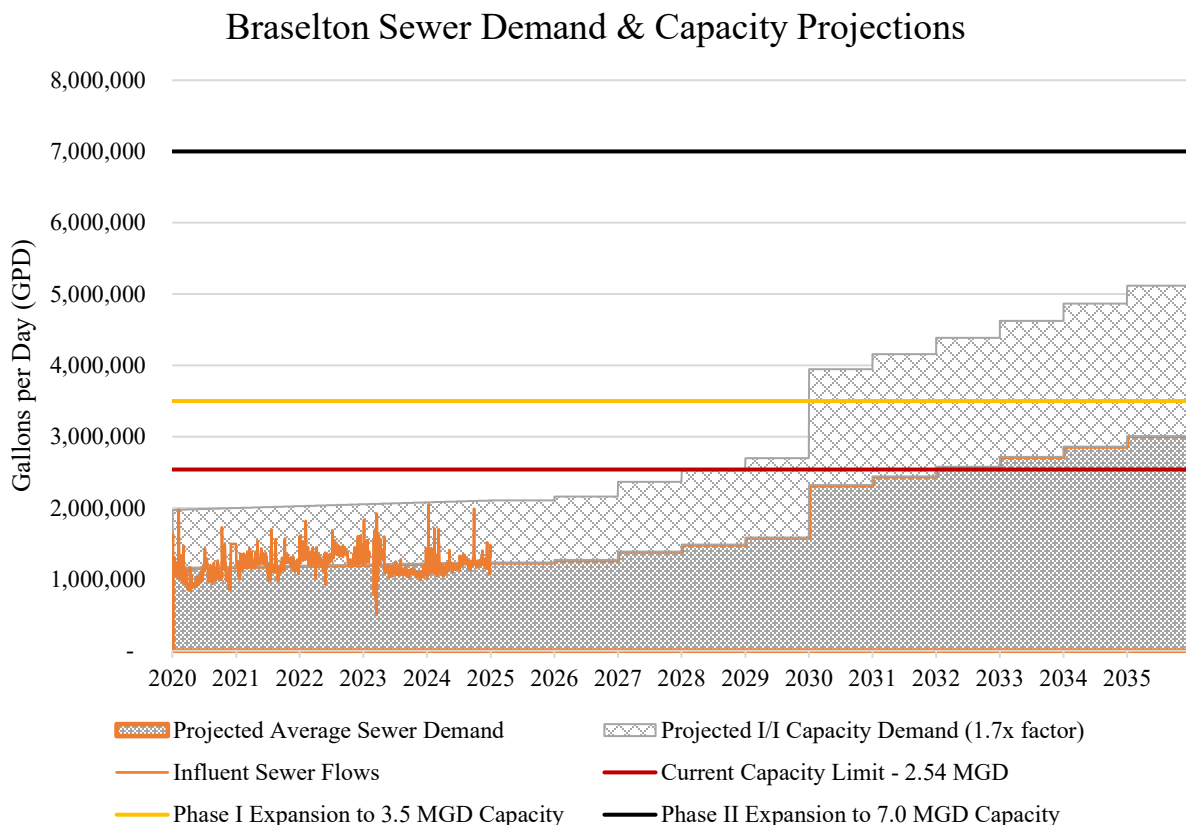
Sewer System Demand & Projections

The average daily demand is expected to approach 1.7 MGD over the next 10 years. Please note that this projection line is the monthly average, meaning that day-to-day demands may vary greatly, especially after a heavy storm event.

In 2024, the inflow and infiltration (I/I) caused a peak daily influent as high as 2.051 MGD, which is 1.7x the annual average demand of 1.206 MGD. For this reason, an I/I capacity demand is applied as a 1.7x peaking factor.

Including in this demand projection is a 0.8 MGD capacity request from Barrow County over the next 15 and 0.05 MGD from Hoschton for a development scheduled to come online in 2027. The City of Oakwood is also seeking to increase their sewer capacity allocation with Braselton from 0.125 MGD by an additional 0.625 MGD to accommodate their developmental growth over the next 20 years. This is added incrementally at the start of 2028, which is the estimated time of completion for the phase I Braselton WRF expansion.

Additionally, as stated in the regional water planning documents and summarized earlier in this report, Jackson and Barrow County have a forecast of requiring an additional 21.3 MGD by 2060, combined. As Braselton is beginning construction for its phase one expansion to 3.5 MGD, a phase two expansion to 7.0 MGD is entering the planning stages to accommodate the regional growth.



Capacity & Growth Analysis

Assumptions Used in Sewer Cash Flow Projections

It is assumed that about 400 new sewer customers will be tied onto the sewer system every year for the next five years. They are assumed to have the existing average billing charge of 6,490 gallons per month per customer. Under the existing billing structure for the typical inside residential customer (3/4" meter), this is a monthly charge of about \$68. This is estimated to generate an additional \$326,400 a year in sewer rate revenues. An annual 5% rate increase is also being applied every year to adjust to inflation for the next five years.

Sewer tap fees for the typical 3/4" residential user is estimated to charge about \$7,500 under the current rate structure.

All other sewer related revenues such as miscellaneous fees are projected to increase at their historical trendline. These assumptions are outlined in the appendix.

The Proposed Project

The Town's existing WRF was initiated on the present site in 1974. The original system was primarily funded by the US Environmental Protection Agency (EPA) through the construction grants program in place at the time. The original system consisted of an influent structure, two ponds, a small control building and lab, and a 19-acre land application system. The original project served 85 residential customers and 12 commercial customers and was permitted for 70,000 gallons per day (GPD). The system was featured in the August 17, 1975, edition of the *Atlanta Journal* as the first municipally owned land application systems in Georgia.

The system was expanded over time, with enhanced treatment processes and multiple additional land application sites and eventually was permitted for up to 350,000 GPD. In 2000, the Town embarked on a new direction and planned and constructed one of the first "Urban Water Reuse" systems in the State. The Town's permit allowed direct discharge into the Mulberry River as well as beneficial reuse of the reclaimed water for golf courses and other types of irrigation and industrial uses. The system was featured in the August 2005 issue of *Georgia Trend Magazine*. The initial capacity for the Urban Water Reuse system was 1.27 MGD.

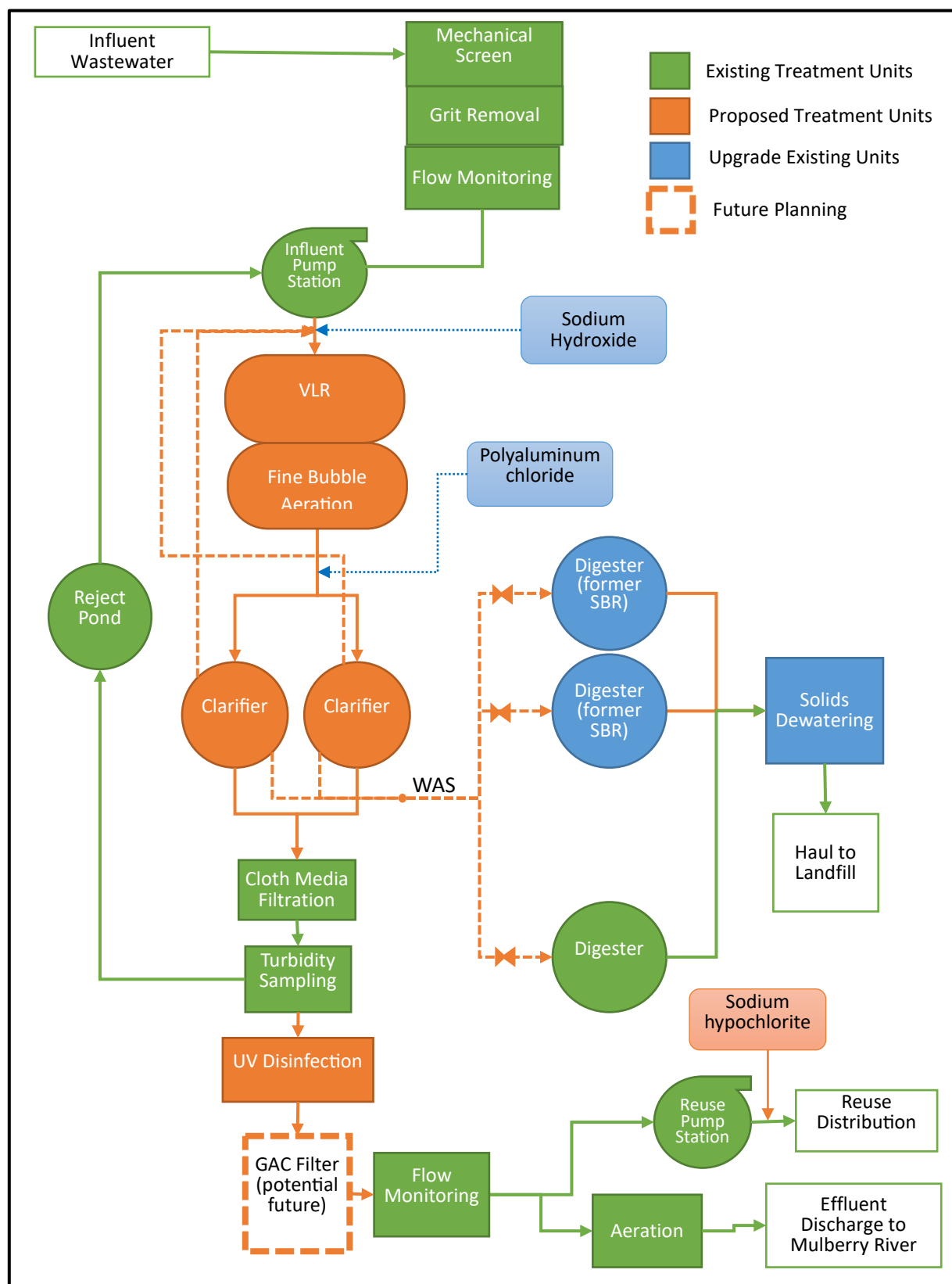
The last expansion at the WRF was in 2006. Many of the original treatment components have reached the end of their useful life and treatment technology has progressed considerably. Braselton's proposed expansion and improvement plan will include a change from sequencing batch reactors (SBR) to a vertical loop reactor (VLR) biological nutrient removal system. VLR's are proven to be more efficient and require a considerably smaller footprint. Disinfection of the Town's final effluent will also change from chlorination- de-chlorination to ultraviolet (UV) disinfection.

The Proposed Project

A summary of the Town's existing and proposed WRF components are as follows:

WRF Treatment Components		
Component	Current (2.54 MGD)	Expansion (3.5 MGD / 8.75 MGD Peak)
Headworks – Mechanical Screen, grit removal, influent flow monitoring	12.0 MGD	No upgrade
Influent Pump Station	9.8 MGD	No Upgrade
Chemical Feed		No upgrade
Biological Nutrient Removal (BNR)	Existing - (4) SBR units	VLR & fine bubble aeration system – five (5) tanks total 3.5 MGD / 8.75 MGD Peak
Clarifiers	N/A	3.5 MGD / 8.75 MGD Peak
Cloth Media Filtration	5 filters with 30 disks total, 7.5 MGD / 12.0 MGD peak with one out of service	No upgrade
Disinfection, UV	N/A	3.5 MGD / 8.75 MGD Peak
Post-Aeration Existing Dechlorination Channel	N/A	No Upgrade
GAC or Mixed Media Filters	N/A	N/A (Discussed)
Effluent Flow Monitoring	10.6 MGD	No Upgrade
Effluent Reuse Pump Station	5.0 MGD	No Upgrade
Effluent gravity discharge line	30" DIP @ 0.30%, 11,475 gpm 18" DIP @ 8.58%, 15,900 gpm	No Upgrade
Digester	Existing - (2) digesters	Utilize (1) existing digester, convert (2) existing SBRs – For a total of three (3) digester units
Solids Dewatering	2.2-meter belt press and 1.2-meter belt press (18 hours per week)	2.2-meter belt press and replace 1.2-meter belt press with a new 2.0 belt press (26 hours per week)

The WRF plant schematic layout is displayed on the following page.



The Proposed Project

The Town elected to complete the proposed project utilizing an alternate delivery method, Construction Manager at Risk (CMAR). Construction collaboration with the system Owner, the Engineer and Construction Firm is becoming more common primarily due to limitations of resources and benefits of construction knowledge during the final planning process. The Town advertised for CMAR Qualifications in late 2023, resulting in a contract award to Reeves + Young, LLC Construction firm of Sugar Hill, Georgia. The Contract is issued in two phases. Phase I consists of considerable earthwork and surging of the local soils. The Soil conditions at the existing facility were very poor and are not suitable for placing the new proposed structures as the ground exists. Phase I included the importation of approximately 18,000 cubic yards of dirt and filling the soil into the areas where new components will be installed. The surcharge procedure took some four to five months and required monitoring by a licensed professional geotechnical engineer. In addition to the fill and surcharging procedure, on site utility relocation was necessary to accommodate the new components of the expanded and improved treatment process.

The project cost projection for each phase and the proposed source of funds is as follows:

Estimated Project Costs: WRF Expansion to 3.5 MGD			
Project Phase	Estimated Cost	Source of Funds	Estimated Funds
Phase I: Earthwork and Utility Relocation	\$7,000,000	GEFA CWSRF Loan	\$5,600,000
		Local Reserve Funds	<u>\$1,400,000</u>
			\$7,000,000
Phase II: WRF Improvements and Expansion to 3.5 MGD	\$40,000,000	2025 Water and Sewer Revenue Bond Issue	\$40,000,000

Financial Review

Financial health parameters are used to measure the success and reliability of a system's income. These parameters are used by financial institutions when distributing loans, bonds, and determining interest rates. Many of these parameters primarily focus on the operating income, which is comprised of revenues and expenses that are specific to the function of water and sewer service. This includes water and sewer rate revenues, tapping fees, salaries, water purchase expenses, electricity, chemicals for treatment, repairs, maintenance, and so on.

$$\text{➤ Debt-service coverage ratio (DSCR)} = \frac{\text{operating income} + \text{depreciation} + \text{amortization} + \text{interest income}}{\text{debt service requirement}}$$

DSCR requirements are financial health parameters set by the Town's Bond Ordinance. The Bond Ordinance requires the Town to maintain rates, fees, and charges annually at a level that produces net revenues equal to at least 1.15x the amount then required to be paid into the Sinking Fund to pay annually the principal and/or interest on the bonds as the same become due and payable in the then current sinking fund year (the "DSCR"). The Bond Ordinance requires a DSCR of the highest combined principal and interest requirements on existing and proposed bonds equal to at least 1.25x for a period of 12 consecutive months out of 15 consecutive months immediately preceding the month of adoption of the proceedings authorizing the issuance of additional bonds. For purposes of the DSCR, "net revenues" means gross earnings of the System (including without limitation, interest and investment income but excluding interest and investment income derived from any construction fund created with the proceeds of bonds) remaining after payment of the sums required or permitted to be paid to maintain and operate the System pursuant to the applicable provisions of the Bond Ordinance, but before provision for depreciation and amortization.

$$\text{➤ Fixed Charges Coverage Ratio (FCCR)} = \frac{\text{income available for fixed charges}}{\text{fixed charges}}$$

GEFA's DSCR is defined as 'Fixed Charges Coverage Ratio' in their loan agreement documents. Income available for fixed charges is defined as accrual net income excluding (i) interest on long-term debt (including the current portion thereof), (ii) depreciation, (iii) amortization, (iv) payments under long-term leases, and (v) transfers to other funds. This is a standard accrual account, which does not include principal debt payments. Fixed charges are defined as the interest and principal requirements of long-term debt as well as long-term lease expenses. GEFA has a DSCR requirement of 1.05.

Financial Review

➤ **Operating ratio** =
$$\frac{\text{operating revenue}}{\text{operating expenses} + \text{depreciation}}$$

GEFA recommends an operating ratio that includes depreciation with the operating expenses between the values of 1.2 to 2.8. This ratio range “allows utilities to account for day-to-day operations and maintenance expenses, as well as for future capital cost”⁵. Saving net cash flow in reserve accounts allows a system to (1) prepare proactively for high value repairs and replacements, (2) avoid interest expenses on loan and bond borrowings, (3) gain interest revenues on invested reserves, and (4) satisfy asset management planning requirements established by EPD.

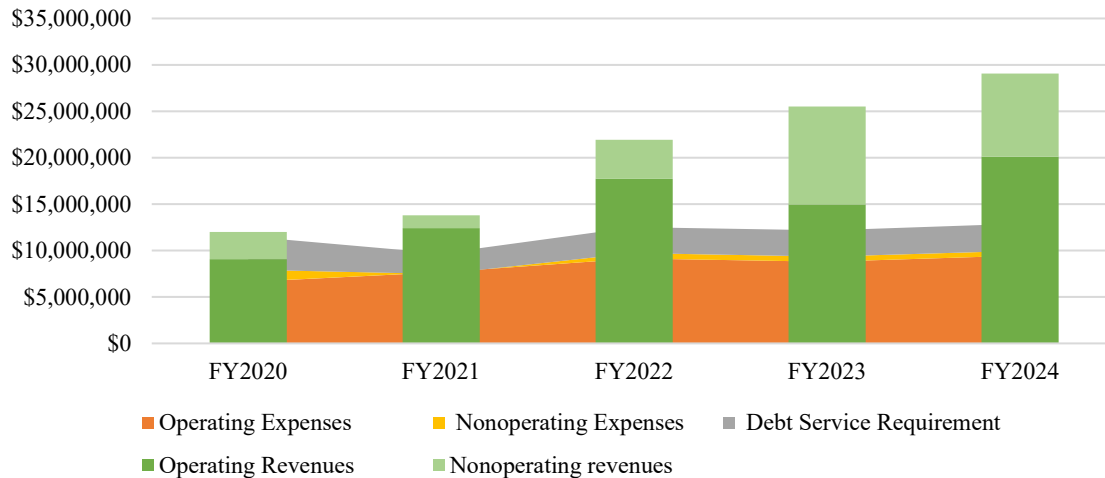
Non-operating revenues and expenses do not directly relate to the function of water and sewer service but nonetheless impact the financial wellbeing of the system. This includes investment earnings or losses, payments under long-term leases, transfers to and from the fund, sale of assets, and capital outlay.

The financial audits and line-by-line income statements from 2020 to 2024 were compiled. An itemized table can be found attached to this document along with all trendline commentary, assumptions, and any small variances. A summary chart and table are included on the following page.

⁵ 2023 Georgia Water and Wastewater Rates Report, *The Georgia Operator*, Vol 62 No. 2 – Spring 2024

Financial Review

Historical Braselton Water-Sewer Cash Flow



Historical Cash Flow – Braselton Water-Sewer Fund					
	FY2020	FY2021	FY2022	FY2023	FY2024
Operating Revenues					
Water and sewer rate revenues	7,047,597	8,457,251	8,615,628	9,907,804	11,107,286
Taps and prepaids	1,500,977	2,699,845	8,829,483	4,632,365	8,427,213
Other water and sewer fees and charges	397,075	635,381	251,360	407,112	473,104
Stormwater fees	107,991	629,813	-	-	-
Other operating revenues	5,411	10,665	27,202	9,565	107,931
Total operating revenues	9,059,050	12,432,955	17,723,673	14,956,846	20,115,533
Contributions/Transfers	2,951,191	1,365,582	4,194,176	10,553,708	8,951,986
TOTAL REVENUES	12,010,241	13,798,537	21,917,849	25,510,554	29,067,519
Audited Operating Expenses*	6,639,070	7,658,516	9,134,432	8,814,978	9,455,201
Nonoperating Expenses	1,305,596	(183,197)	610,204	528,398	515,973
Debt Service Expenses	4,383,401	3,254,977	2,058,461	2,841,902	2,857,555
TOTAL EXPENSES	12,328,067	10,730,296	11,803,097	12,185,278	12,828,729
Depreciation	1,855,625	1,892,878	1,960,428	2,118,261	2,501,174
NET CASH FLOW (excluding depreciation)	1,537,799	4,961,119	12,075,180	15,443,537	18,739,964
Operating Ratio	1.36	1.62	1.94	1.70	2.13

*Audited operating expenses includes depreciation. Depreciation is removed from the net cash flow balance above.

For complete cash flow documentation, please see the **Appendix**.

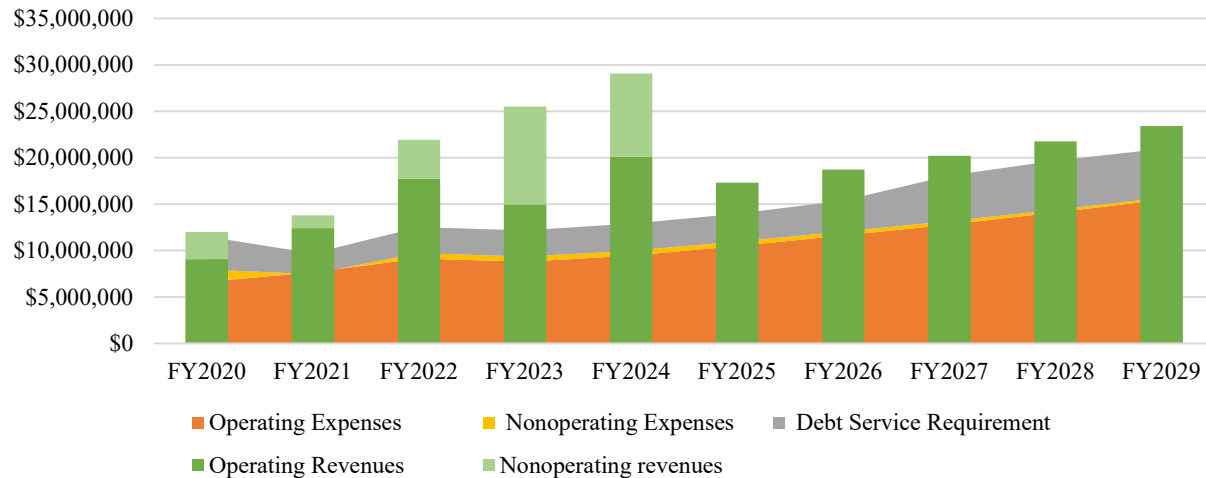
Financial Review

Historical DSCRs – Braselton Water-Sewer Fund					
	FY2020	FY2021	FY2022	FY2023	FY2024
Net Earnings					
Water & sewer rate revenues	7,047,597	8,457,251	8,615,628	9,907,804	11,107,286
Water & sewer tap fees and prepaids	1,500,977	2,699,845	8,829,483	4,632,365	8,427,213
Other water & sewer fees and charges	397,075	635,381	251,360	407,112	473,104
Other operating revenues	5,411	10,665	27,202	9,565	107,931
Interest income	61,034	2,081	7,917	137,268	244,566
LESS: OpExp before depreciation + amortization	<u>(4,783,445)</u>	<u>(5,765,638)</u>	<u>(7,174,004)</u>	<u>(6,696,717)</u>	<u>(6,954,027)</u>
Total net earnings	4,228,648	6,039,585	10,557,586	8,397,397	13,406,072
Debt service requirement on bonds	2,881,649	1,961,876	2,478,282	2,469,513	2,485,166
Debt service coverage ratio on bonds	1.47	3.08	4.26	3.40	5.39
Debt service requirement on GEFA loans	<u>704,614</u>	<u>267,732</u>	<u>300,066</u>	<u>372,389</u>	<u>436,750</u>
Debt service requirement on bonds + GEFA loans	3,586,263	2,229,608	2,778,348	2,841,902	2,921,916
Debt service coverage ratio on bonds + GEFA loans	1.18	2.71	3.80	2.95	4.59
GEFA Fixed Charges Coverage Ratio (FCCR)	1.21	3.05	3.80	2.95	4.60

For complete cash flow documentation, please see the **Appendix**.

Financial Review

Projected Braselton Water-Sewer Fund Cash Flow



Projected Cash Flow – Braselton Water-Sewer Fund					
	FY2025 [†]	FY2026	FY2027	FY2028	FY2029
Operating Revenues					
Water and sewer rate revenues	12,358,603	13,702,503	15,113,599	16,595,248	18,150,981
Taps and prepaids	4,453,547	4,486,631	4,522,362	4,560,950	4,602,626
Other water and sewer fees and charges	481,796	508,631	537,612	568,911	602,715
Stormwater fees	-	-	-	-	-
Other operating revenues	33,441	34,779	36,170	37,617	39,121
Total operating revenues	17,327,388	18,732,544	20,209,742	21,762,727	23,395,444
Contributions/Transfers	-	-	-	-	-
TOTAL REVENUES	17,327,388	18,732,544	20,209,742	21,762,727	23,395,444
Audited Operating Expenses*	10,500,618	11,631,468	12,803,036	14,101,539	15,462,603
Nonoperating Expenses	479,590	419,416	358,836	297,831	236,387
Debt Service Expenses	2,980,573	3,160,096	4,580,397	4,617,428	5,687,269
TOTAL EXPENSES	13,960,781	15,210,981	17,742,269	19,016,798	21,386,259
Depreciation	2,901,174	3,301,174	3,701,174	4,101,174	4,501,174
NET CASH FLOW (excluding depreciation)	6,267,781	6,822,737	6,168,647	6,847,103	6,510,359
Operating Ratio	1.65	1.61	1.58	1.54	1.51

*Audited operating expenses includes depreciation. Depreciation is removed from the net cash flow balance above.

[†]At the time of this cash flow analysis, FY2025 was unaudited and only the FY2020-2024 income statements were available. Therefore, the projection year FY2025 included in this report may differ from the audited FY2025.

For complete cash flow documentation, please see the **Appendix**.

Financial Review

Projected DSCRs – Braselton Water-Sewer Fund					
	FY2025 [†]	FY2026	FY2027	FY2028	FY2029
Net Earnings					
Water & sewer rate revenues	12,358,603	13,702,503	15,113,599	16,595,248	18,150,981
Water & sewer tap fees and prepaids	4,453,547	4,486,631	4,522,362	4,560,950	4,602,626
Other water & sewer fees and charges	481,796	508,631	537,612	568,911	602,715
Other operating revenues	33,441	34,779	36,170	37,617	39,121
Interest income	254,348	264,522	275,103	286,107	297,552
LESS: OpExp before depreciation + amortization	<u>(7,599,444)</u>	<u>(8,330,294)</u>	<u>(9,101,862)</u>	<u>(10,000,365)</u>	<u>(10,961,429)</u>
Total net earnings	9,982,293	10,666,772	11,382,982	12,048,469	12,731,566
Debt service requirement on bonds	2,464,964	2,899,330	4,367,372	4,545,615	4,515,457
Capitalized Interest on Series 2025 Bonds	-	<u>(125,000)</u>	<u>(535,000)</u>	<u>(1,100,000)</u>	-
Net Debt Service Requirement on Bonds	2,464,963	2,737,952	3,868,451	3,481,694	4,551,536
Debt service coverage ratio on bonds	4.05	3.86	2.89	3.09	3.07
Debt service requirement on GEFA loans	<u>515,609</u>	<u>422,144</u>	<u>711,946</u>	<u>1,135,734</u>	<u>1,135,733</u>
Debt service requirement on bonds + GEFA loans	2,980,573	3,160,096	4,580,397	4,617,428	5,687,269
Debt service coverage ratio on bonds + GEFA loans	3.35	3.35	2.45	2.39	2.41
GEFA Fixed Charges Coverage Ratio (FCCR)	3.35	3.35	2.45	2.39	2.41

[†]At the time of this cash flow analysis, FY2025 was unaudited and only the FY2020-2024 income statements were available. Therefore, the projection year FY2025 included in this report may differ from the audited FY2025.

For complete cash flow documentation, please see the **Appendix**.

As seen in the projection above, water-sewer fund revenues are growing at a rate that should substantially cover the operating expenses. Engineering Management, Inc. has recommended for the Town to increase rates annually by 5% to maintain an operating ratio of 1.00-1.20x. This is considered a healthy ratio based on GEFA recommendations. The rate increase is included in the projections.

Conclusions and Recommendations

According to World Population Review, 2025, the Town of Braselton is in the center of one of the fastest growing regions in the State. Jackson County ranks number three and Barrow County ranks number five. Braselton's growth in the number of new water and sewer customers has been strong, and the customer base is well balanced between residential, commercial and industrial. The Town's management and professional staff are well educated and have a long-term tenure with the Town. The Water and Sewer utility systems are well managed and maintained and obtained the WaterFirst designation from the Georgia Department of Community Affairs in 2006, with approved renewals every five years afterward. The forgoing report and appendices clearly show the Town's need for the proposed expansion project as well as the financial capacity to amortize the bond indebtedness necessary to construct the project.

RESPECTFULLY SUBMITTED,

ENGINEERING MANAGEMENT, INC.

Appendix: Cash Flow Analysis

Appendix: Cash Flow Analysis

September 2025

OPERATING REVENUES												
		Historical Income Statements & Audit					Projected Cash Flows					
Water & Sewer Rate Revenues		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029	
1	505-00-344210	Water Charges	4,040,534	4,432,623	4,703,740	5,368,237	5,940,491	6,620,765	7,335,054	8,085,056	8,872,559	9,699,437
2	505-00-344230	Reuse Water	37,091	37,580	62,157	38,915	37,224	44,723	46,959	49,307	51,773	54,361
3	505-00-344220	Sewer Charges	2,932,886	3,763,664	3,945,328	4,480,496	5,095,614	5,693,115	6,320,490	6,979,235	7,670,917	8,397,183
4	Total water & sewer rate revenues		7,010,510	8,233,867	8,711,225	9,887,648	11,073,329	12,358,603	13,702,503	15,113,599	16,595,248	18,150,981
		Historical Income Statements & Audit					Projected Cash Flows					
Water & Sewer Tap Fees and Prepaids		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029	
5	505-00-344211	Tap Fees	1,121,703	1,789,183	1,252,594	2,072,064	1,999,707	1,040,000	1,040,000	1,040,000	1,040,000	1,040,000
6	505-00-344218	Sewer Agreement Taps	43,042	367,502	7,413,750	2,245,440	6,010,635	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
7	505-00-344215	Prepaid	299,144	319,777	258,737	294,705	382,914	413,547	446,631	482,362	520,950	562,626
8	Total water & sewer tap fees and prepaids		1,463,890	2,476,461	8,925,081	4,612,209	8,393,256	4,453,547	4,486,631	4,522,362	4,560,950	4,602,626
		Historical Income Statements & Audit					Projected Cash Flows					
Other Water & Sewer Fees and Charges		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029	
9	505-00-344212	Water Tank Fees	111,509	86,400	85,950	125,400	125,400	125,400	125,400	125,400	125,400	125,400
10	505-00-344221	Reuse Line Fee	41,646	41,642	19,545	(2,250)	4,251	20,967	20,967	20,967	20,967	20,967
11	505-00-344213	Late Charges	103,120	174,449	183,626	217,038	261,733	282,671	305,285	329,708	356,085	384,571
12	505-00-344217	Utility Plan Review Fees	101,465	115,075	59,298	48,536	48,850	52,758	56,979	61,537	66,460	71,777
13	505-00-344222	3% W & S Online Fees	2,247	(5,569)	(1,462)	(1,768)	(1,087)	-	-	-	-	-
14	Total fees, tap, etc.		359,988	411,997	346,958	386,956	439,147	481,796	508,631	537,612	568,911	602,715
Audit Confirmation		FY2020	FY2021	FY2022	FY2023	FY2024						
15	Audited "Water and Sewer Rates", with "Fees, Tap, Etc." lumped in:	8,945,648	11,792,477	17,696,471	14,947,281	20,007,602						
EMI Rate Study:												
16	Water & sewer rate revenues	7,010,510	8,233,867	8,711,225	9,887,648	11,073,329						
17	Water & sewer tap fees and prepaids	1,463,890	2,476,461	8,925,081	4,612,209	8,393,256						
18	Other water & sewer fees and charges	359,988	411,997	346,958	386,956	439,147						
19	Total lumped:	8,834,387	11,122,326	17,983,263	14,886,813	19,905,732						
20	Difference between rate study and audit:	(111,261)	(670,151)	286,792	(60,468)	(101,870)						
21	% Difference:	-1.24%	-5.68%	1.62%	-0.40%	-0.51%						
Adjustments added to EMI financial analysis to reflect audit: (half distributed to water & sewer rate revenues and half to fees, tepts, etc.)												
22	Water & sewer rate revenues	7,047,597	8,457,251	8,615,628	9,907,804	11,107,286						
23	Water & sewer tap fees and prepaids	1,500,977	2,699,845	8,829,483	4,632,365	8,427,213						
24	Other water & sewer fees and charges	397,075	635,381	251,360	407,112	473,104						

OTHER REVENUES											
		Historical Income Statements & Audit					Projected Cash Flows				
Other Operating Revenues		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
25	505-00-344214 Other Revenues	5,411	10,953	27,203	9,565	69,188	33,441	34,779	36,170	37,617	39,121
		Historical Income Statements & Audit									
Audit Confirmation		FY2020	FY2021	FY2022	FY2023	FY2024					
26	Audited "Other"	5,411	10,665	27,202	9,565	107,931					
27	Difference between rate study and audit:	0	(288)	(1)	0	38,743					
28	% Difference:	0.01%	-2.70%	0.00%	0.00%	35.90%					
29	Adjusted "Other" operating revenue to reflect	5,411	10,665	27,202	9,565	107,931					

OTHER REVENUES (CONT.)		Historical Income Statements & Audit					Projected Cash Flows				
Interest Income		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
30	505-00-341000 INTEREST	61,034	2,081	7,917	137,268	244,566	254,348	264,522	275,103	286,107	297,552
Audit Confirmation											
31	Audited "Interest Income"	61,034	2,081	7,917	137,268	244,566					
32	Difference between rate study and audit:	(0)	0	(0)	(0)	0					
33	% Difference:	0.00%	0.02%	0.00%	0.00%	0.00%					

OTHER REVENUES (CONT.)											
		Historical Income Statements & Audit					Projected Cash Flows				
Stormwater		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
34	505-00-344260 Stormwater Fees	107,991	629,813	-	-	-	-	-	-	-	-

Appendix: Cash Flow Analysis

September 2025

OPERATING EXPENSES		Historical Income Statements & Audit					Projected Cash Flows				
		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
35	Personal services and benefits	1,720,793	1,740,699	3,317,619	2,119,506	2,110,591	2,321,650	2,553,815	2,809,197	3,090,116	3,399,128
36	Purchased and contracted services	1,302,015	1,794,247	1,588,427	1,976,108	2,422,826	2,713,565	3,039,193	3,403,896	3,812,364	4,269,847
37	Supplies and equipment	767,873	1,035,091	1,279,290	1,422,859	1,294,668	1,424,135	1,566,548	1,723,203	1,895,523	2,085,076
38	Depreciation	1,855,625	1,892,878	1,960,428	2,118,261	2,501,174	2,901,174	3,301,174	3,701,174	4,101,174	4,501,174
39	Miscellaneous	992,764	1,195,601	988,668	1,178,244	1,125,942	1,140,094	1,170,738	1,165,567	1,202,362	1,207,378
40	Total operating expenses	6,639,070	7,658,516	9,134,432	8,814,978	9,455,201	10,500,618	11,631,468	12,803,036	14,101,539	15,462,603

NONOPERATING REVENUES & EXPENSES		Historical Income Statements & Audit					Projected Cash Flows				
		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
41	Investment earnings	61,034	2,081	7,917	137,268	244,566	254,349	264,523	275,103	286,108	297,552
42	Intergovernmental revenue	95,219	958,360	239,323	156,046	-	-	-	-	-	-
43	Gain on Sale of Asset	-	125,000	-	-	23,400	-	-	-	-	-
44	Interest expense	(1,461,849)	(902,244)	(857,444)	(821,712)	(783,939)	(733,939)	(683,939)	(633,939)	(583,939)	(533,939)
45	Total nonoperating revenues (expenses)	(1,305,596)	183,197	(610,204)	(528,398)	(515,973)	(479,590)	(419,416)	(358,836)	(297,831)	(236,387)

CONTRIBUTIONS & TRANSFERS		Historical Income Statements & Audit					Projected Cash Flows				
		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
46	Contributed Capital	2,951,191	1,365,582	4,194,176	10,553,708	8,958,386	-	-	-	-	-
47	Transfer to other funds	-	-	-	-	(6,400)	-	-	-	-	-

Appendix: Cash Flow Analysis

September 2025

DEBT SERVICE		Historical Income Statements & Audit					Projected Cash Flows				
Debt Service Requirement		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
Bonds											
48	Pincipal	990,000	1,270,000	1,690,000	1,715,000	1,765,000	1,780,000	1,810,000	1,665,000	1,885,000	1,905,000
49	Interest	1,095,968	691,876	788,282	754,513	720,166	684,964	1,052,952	2,738,451	2,696,694	2,646,536
50	Refunding transactions / Cap. Int.						-	(125,000)	(535,000)	(1,100,000)	-
51	Total bond debt service requirement	2,881,649	1,961,876	2,478,282	2,469,513	2,485,166	2,464,964	2,737,952	3,868,451	3,481,694	4,551,536
GEFA Loans											
52	Pincipal	536,143	246,851	278,400	332,087	396,930	479,847	389,347	579,046	869,387	882,127
53	Interest	168,471	20,881	21,666	40,302	39,820	35,762	32,797	132,900	266,347	253,606
54	Total GEFA loan debt service requirement	704,614	267,732	300,066	372,389	436,750	515,609	422,144	711,946	1,135,734	1,135,733
55	Total debt service requirement	3,586,263	2,229,608	2,778,348	2,841,902	2,921,916	2,980,573	3,160,096	4,580,397	4,617,428	5,687,269

		Historical Income Statements & Audit					Projected Cash Flows				
Debt Service Expenses		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
Bonds											
56	Pincipal	645,836	2,120,836	880,836	1,715,000	1,765,000	1,780,000	1,810,000	1,665,000	1,885,000	1,905,000
57	Interest	1,499,232	799,653	771,730	754,513	720,166	684,964	1,052,952	2,738,451	2,696,694	2,646,536
58	Refunding transactions / Cap. Int.	795,681	-	-	-	-	-	(125,000)	(535,000)	(1,100,000)	-
59	Total bond debt service expense	2,940,749	2,920,489	1,652,566	2,469,513	2,485,166	2,464,964	2,737,952	3,868,451	3,481,694	4,551,536
GEFA Loans											
60	Pincipal	1,294,374	295,597	361,957	332,087	335,002	479,847	389,347	579,046	869,387	882,127
61	Interest	148,278	38,891	43,938	40,302	37,387	35,762	32,797	132,900	266,347	253,606
62	Total GEFA loan debt service expense	1,442,652	334,488	405,895	372,389	372,389	515,609	422,144	711,946	1,135,734	1,135,733
63	Total debt service expenses	4,383,401	3,254,977	2,058,461	2,841,902	2,857,555	2,980,573	3,160,096	4,580,397	4,617,428	5,687,269

Appendix: Cash Flow Analysis

September 2025

SUMMARY	Historical Income Statements & Audit					Projected Cash Flows				
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
Operating Revenues										
Water and sewer rate revenues	7,047,597	8,457,251	8,615,628	9,907,804	11,107,286	12,358,603	13,702,503	15,113,599	16,595,248	18,150,981
Taps and prepaids	1,500,977	2,699,845	8,829,483	4,632,365	8,427,213	4,453,547	4,486,631	4,522,362	4,560,950	4,602,626
Other water and sewer fees and charges	397,075	635,381	251,360	407,112	473,104	481,796	508,631	537,612	568,911	602,715
Stormwater fees	107,991	629,813	-	-	-	-	-	-	-	-
Other operating revenues	5,411	10,665	27,202	9,565	107,931	33,441	34,779	36,170	37,617	39,121
Total operating revenues	9,059,050	12,432,955	17,723,673	14,956,846	20,115,533	17,327,388	18,732,544	20,209,742	21,762,727	23,395,444
Contributions/Transfers	2,951,191	1,365,582	4,194,176	10,553,708	8,951,986	-	-	-	-	-
TOTAL REVENUES	12,010,241	13,798,537	21,917,849	25,510,554	29,067,519	17,327,388	18,732,544	20,209,742	21,762,727	23,395,444
Audited Operating Expenses*	6,639,070	7,658,516	9,134,432	8,814,978	9,455,201	10,500,618	11,631,468	12,803,036	14,101,539	15,462,603
Nonoperating Expenses	1,305,596	(183,197)	610,204	528,398	515,973	479,590	419,416	358,836	297,831	236,387
Debt Service Expenses	4,383,401	3,254,977	2,058,461	2,841,902	2,857,555	2,980,573	3,160,096	4,580,397	4,617,428	5,687,269
TOTAL EXPENSES	12,328,067	10,730,296	11,803,097	12,185,278	12,828,729	13,960,781	15,210,981	17,742,269	19,016,798	21,386,259
*Audited operating expenses includes depreciation										
Depreciation	1,855,625	1,892,878	1,960,428	2,118,261	2,501,174	2,901,174	3,301,174	3,701,174	4,101,174	4,501,174
Operating Expenseses (not incl. depr.)	4,783,445	5,765,638	7,174,004	6,696,717	6,954,027	7,599,444	8,330,294	9,101,862	10,000,365	10,961,429
NET CASH FLOW (excluding depreciation)	1,537,799	4,961,119	12,075,180	15,443,537	18,739,964	6,267,781	6,822,737	6,168,647	6,847,103	6,510,359
Operating Ratio (= Operating Revenue / Operating Expenses) GEFA reccomends a 1.20 to 2.8 ratio	1.36	1.62	1.94	1.70	2.13	1.65	1.61	1.58	1.54	1.51

Appendix: Cash Flow Analysis

September 2025

DEBT SERVICE COVERAGE RATIOS										
	Historical Income Statements & Audit					Projected Cash Flows				
Net Earnings	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025*	FY2026	FY2027	FY2028	FY2029
Water & sewer rate revenues	7,047,597	8,457,251	8,615,628	9,907,804	11,107,286	12,358,603	13,702,503	15,113,599	16,595,248	18,150,981
Water & sewer tap fees and prepaids	1,500,977	2,699,845	8,829,483	4,632,365	8,427,213	4,453,547	4,486,631	4,522,362	4,560,950	4,602,626
Other water & sewer fees and charges	397,075	635,381	251,360	407,112	473,104	481,796	508,631	537,612	568,911	602,715
Other operating revenues	5,411	10,665	27,202	9,565	107,931	33,441	34,779	36,170	37,617	39,121
Interest income	61,034	2,081	7,917	137,268	244,566	254,348	264,522	275,103	286,107	297,552
LESS: OpExp before depreciation + amortization	(4,783,445)	(5,765,638)	(7,174,004)	(6,696,717)	(6,954,027)	(7,599,444)	(8,330,294)	(9,101,862)	(10,000,365)	(10,961,429)
Total net earnings	4,228,648	6,039,585	10,557,586	8,397,397	13,406,072	9,982,293	10,666,772	11,382,982	12,048,469	12,731,566
Debt service requirement on bonds	2,881,649	1,961,876	2,478,282	2,469,513	2,485,166	2,464,964	2,737,952	3,868,451	3,481,694	4,551,536
Capitalized Interest on Series 2025 Bonds						-	(138,720)	(426,300)	(643,800)	(367,200)
Net Debt Service Requirement on Bonds						2,464,963	2,760,610	3,941,072	3,901,815	4,148,257
Debt service coverage ratio on bonds	1.47	3.08	4.26	3.40	5.39	4.05	3.86	2.89	3.09	3.07
Debt service requirement on GEFA loans	704,614	267,732	300,066	372,389	436,750	515,609	422,144	711,946	1,135,734	1,135,733
Debt service requirement on bonds + GEFA loans	3,586,263	2,229,608	2,778,348	2,841,902	2,921,916	2,980,572	3,182,754	4,653,018	5,037,549	5,283,990
Debt service coverage ratio on bonds + GEFA loans	1.18	2.71	3.80	2.95	4.59	3.35	3.35	2.45	2.39	2.41
GEFA Fixed Charges Coverage Ratio (FCCR) (net income excluding debt service requirements, depreciation, interest expenses, and transfers)/debt service requirement GEFA requires a 1.05 FCCR	1.21	3.05	3.80	2.95	4.60	3.35	3.35	2.45	2.39	2.41

Engineering Report for 2025 Water Sewer Revenue Bonds

Assumptions & Notes of Financial Analysis

*FY2025- At the time of this cash flow analysis, FY2025 was unaudited and only the FY2020-2024 income statements were available. Therefore, the projection year FY2025 included in this report may differ from the audited FY2025.

1- Assuming additional \$365,000 in water rate revenues from 400 new water customers being added annually to the system at an average water billing metering of 7,470 gallons per month per account.

2- Assuming no growth in reuse revenues.

3- Assuming additional \$326,400 in sewer rate revenues from 400 new sewer customers being added annually to the system at an average billing metering of 6,490 gallons per month per account.

5- Assuming additional \$1,040,000 in water tap fees from 400 new water accounts per year projected to pay about \$2,600 in fees per tap.

6- Assuming additional \$3,000,000 in sewer tap fees from 400 new sewer accounts per year projected to pay about \$7,500 in fees per tap.

7- Assuming to grow an average of 8% annually from general system growth.

9- Assumed to remain consistent due to previous years' consistency.

10- Assuming average from previous five years. Remaining consistent thereafter.

11- Assuming to grow an average of 8% annually from general system growth.

12- Assuming to grow an average of 8% annually from general system growth.

13- Assume to be net zero.

21- Percent difference is of significant value, so projections are reflecting audit only.

25- Projection is average of previous five years with 4% economic growth.

30- Interest projected to increase by 4% economic growth. This value is included as "Investment Earnings" under Nonoperating Revenues of the audit (example, pg 17 of FY24) and are listed again as line item 44 of this spreadsheet.

34- Stormwater fees are assumed to be zero based on past three years. This revenue is an operating revenue of the water-sewer fund, but is separated from the water system and sewer system services for this report. This revenue is included in the GEFA FCCR and OpRatio.

35- Personal services and benefits is assumed to grow at a rate of 14% annually based on the last five years. It is projected to grow 14% annually as to fit the range seen in last five years.

36- Purchased and contracted services has grown an average of 18% annually over the last 5 years. It is projected to grow 12% annually for the next five years as to fit the trend of FY22-24.

37- Supplies & equipment have grown an average of 15% annually in the last five years. It is projected to grow 10% annually for the next five years to fit the trend seen between FY20-23.

38- Depreciation is projected to grow about \$400,000 annually as is has in the most recent FY.

39- Miscellaneous has grown 4% annually for the last five years on average. The average is taken of last five years with continued 4% inflation added annually in the projection.

41- General 4% economic growth added to most recent year's earnings.

42- Projected to be zero for conservative measures.

43- Projected to be zero for conservative measures.

44- Historical trend appears to be decreasing about \$50,000 annually. This trend is continued in the projection.

46- Projected to be zero for conservative measures.

47- Projected to be zero for conservative measures.

48,49- Based on bond documents and audit (example, pg 43-45 of FY19 audit) for FY20-FY25. Projected years are based on amortization schedules provided by Stifel. These values have been not independently verified by EMI.

50-Refunding transactions / cap. Int. values provided by Stifel. EMI has not independently verified these values.

52,53- The historical requirements are based on Notes Payable amortization tables for GEFA loans in city audits (example, pg 36 in FY21). The projected requirements are based on an amortization table provided

54- The GEFA debt service requirements are provided by Stifel. These values are not independently verified by EMI.

56- Based on audit: interest paid on bonds payable (example, pg 17 for FY21).

57- Based on audit: principal payments Long-Term Debt table (example, pg 34 in FY22). Interest payments are not included in income statements and should refer to audit.

58- Based on payments schedules provided by Stifel. These numbers are not independently verified by EMI.

60- Based on audit: Interest paid on notes payable (example, pg 18 of FY20).

61- Based on audit: principal payments Long-Term Debt table (example, pg 34 in FY22). Interest payments are not included in income statements and should refer to audit.

APPENDIX C

SUMMARY OF THE BOND ORDINANCE

The ordinance adopted by the Town Council of the Town on August 4, 2003, as ratified, reaffirmed, supplemented, and amended by ordinances adopted by the Town Council of the Town on December 17, 2003, December 3, 2009, December 21, 2009, March 14, 2012, May 7, 2015, October 30, 2019, November 20, 2019, and [September __], 2025 is a contract for the benefit of the owners of the Bonds which specifies the terms and details of the Series 2025 Bonds and which defines the security for the Series 2025 Bonds. The following is a summary, which does not purport to be comprehensive or definitive, of certain provisions of the Bond Ordinance. Other provisions of the Bond Ordinance are described in this Official Statement under the captions **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Pledge of Revenues,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Funds Created by the Bond Ordinance and Flow of Funds,”** and **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Rate Covenant.”** Reference is made to the Bond Ordinance in its entirety for a complete recital of the detailed provisions thereof, copies of which are available from the Town upon request.

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SUMMARY OF THE BOND ORDINANCE

The following is a general summary of certain provisions of the Bond Ordinance pursuant to which the Series 2025 Bonds are being issued. The summaries as hereinafter set forth do not purport to be complete, and for further information reference is made to the Bond Ordinance, copies of which are available from the Town upon request. Capitalized terms used in this Appendix C and not otherwise defined herein shall have the meaning set forth elsewhere in this Official Statement or in the Bond Ordinance.

Revenues and Funds

Revenue Fund

The Town has heretofore created pursuant to the Bond Ordinance a special fund designated the “Town of Braselton Water and Sewerage System Revenue Fund” (the “Revenue Fund”), which is held by Northeast Georgia Bank, Braselton, Georgia, as the Depository for the Revenue Fund. The Bond Ordinance requires the Town or its agents to collect all revenues arising from the ownership and operation of the System and to deposit the same into the Revenue Fund so long as the Existing Bonds, the Series 2025 Bonds and any Additional Bonds (as hereinafter defined) are outstanding and unpaid or until provision has been duly made for the payment thereof. Moneys in the Revenue Fund are to be disbursed to the extent available and in the following manner and order:

- (a) To pay the reasonable and necessary costs of operating, maintaining, and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, proper charges for materials and services provided by other departments of the Town and such other charges as may properly be made for the purpose of operating, maintaining, and repairing the System in accordance with sound business practice, but before making provision for depreciation and amortization.
- (b) To make the required payments into the Sinking Fund, as described below.
- (c) Any excess funds in the Revenue Fund after making the payments in (a) and (b) above, will be used to make such payments as may be required to be made out of the net revenues of the System to repay junior lien obligations, including, but not limited to any loans made by the Georgia Environmental Facilities Authority and the State Revolving Fund and any and all existing loans having a lien on the net revenues of the System.
- (d) Any excess funds in the Revenue Fund not required to make the payments in (a), (b), and (c) above, less a working capital reserve in an amount not to exceed 45 days estimated operating and maintenance costs, will be deposited into the Renewal and Extension Fund, as described below.

The Bond Resolution provides that the net revenues remaining in the Revenue Fund after the payment of the sums required to be made under subparagraph (a) above are pledged to the

payment of the principal of and the interest on the Existing Bonds, the Series 2025 Bonds, and any Additional Bonds issued pursuant to the Bond Ordinance. These revenues are subject to a lien in favor of the owners of the Existing Bonds, the Series 2025 Bonds, and any Additional Bonds issued pursuant to the Bond Ordinance.

Sinking Fund

The Town has heretofore created pursuant to the Bond Ordinance a special fund designated "Town of Braselton Water and Sewerage System Sinking Fund" (the "Sinking Fund"), which is held by U.S. Bank Trust Company, National Association, Atlanta, Georgia, as Sinking Fund Custodian (the "Sinking Fund Custodian"). The Sinking Fund now consists of two separate accounts that are to be held therein, created and designated as "Debt Service Account" and "Debt Service Reserve Account," for the purpose of paying the principal of and interest on the outstanding Existing Bonds, each coming due in the then current sinking fund year. There is hereby created a sub-account of the Debt Service Account to be designated the "Series 2025 Bonds Capitalized Interest Account." There shall next be paid from the net revenues remaining in the Revenue Fund after making the payments required or permitted to be paid pursuant to the provisions of Paragraphs 1 and 2 of this Section, such payments as may be required to be made out of net revenues of the System to deposit in the Debt Service Account (i) on or before December 10th, 2025, an amount equal to the interest on the Series 2025 Bonds coming due on January 1, 2026 (but only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose), (ii) commencing with the month of January 2026, beginning on or prior to the 10th day of January and continuing monthly thereafter on or prior to the 10th day of each month, an amount equal to 1/6th of the interest on and 1/6th of the principal of the Series 2025 Bonds coming due on July 1, 2026 (but with respect to the interest on the Series 2025 Bonds, only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose), and an amount equal to 1/6th of the interest on and 1/12th of the principal of the outstanding Existing Bonds coming due on July 1, 2026 and (iii) commencing with the month of July, 2026, beginning on or prior to the 10th day of July and continuing monthly thereafter on or prior to the 10th day of each month, an amount equal to 1/6th of the interest on the outstanding Existing Bonds and the Series 2025 Bonds coming due on the next ensuing interest payment date (but with respect to the Series 2025 Bonds, only to the extent the funds on deposit with the Revenue Fund Custodian in the Series 2025 Capitalized Interest Account are insufficient for such purpose) and 1/12th of the principal of the outstanding Existing Bonds and the Series 2025 Bonds coming due on the next ensuing principal payment date with respect to each such series, whether by maturity or by proceedings for mandatory sinking fund redemption, and such aggregate monthly payments shall continue from month to month until sufficient funds are on hand in the Sinking Fund to pay the principal of and interest on all of the outstanding Existing Bonds and the Series 2025 Bonds as same become due and payable either at maturity or by proceedings for mandatory redemption and the interest that will become due and payable thereon. All monies deposited into the Sinking Fund for the purpose of paying the Existing Bonds and the Series 2025 Bonds shall be deposited into the Debt Service Account. Monies in the Debt Service Account (other than the Series 2025 Capitalized Interest Account) shall be used to pay, and shall secure, only the Existing Bonds, the Series 2025 Bonds, and any bonds hereafter issued on a parity with the Existing Bonds and the Series 2025 Bonds. Monies on deposit in the Series 2025 Capitalized Interest Account of the Debt Service Fund shall be used to

pay, and shall secure, only the Series 2025 Bonds. Monies in the Debt Service Account shall be used to pay to the Paying Agent, at least one (1) day prior to the applicable due date of each payment on the Existing Bonds, the Series 2025 Bonds, and any parity bonds hereafter issued, an amount equal to the interest payment or the principal and interest payment on such bonds then coming due immediately thereafter.

The Reserve Account shall be maintained for the purpose of paying and shall be used at any time to pay the principal and interest of the outstanding Existing Bonds falling due in any year as to which there otherwise would be a default, and if money is taken from the Reserve Account for the payment of such principal and interest, the money so taken shall be replaced in said Reserve Account from the first moneys in the Revenue Fund thereafter available and not required to be used for payment of the sums required or permitted to be paid under the provisions of Paragraphs 1 and 2 as hereinabove provided. Said moneys shall be paid into the Reserve Account until the amount on deposit in the Reserve Account is equal to the lesser of (i) the Reserve Requirement for the Reserve Account or (ii) the amount on deposit in the Reserve Account prior to the first withdrawal from such Reserve Account prior to full replacement of moneys in Reserve Account. Notwithstanding the foregoing, such payments to replace the moneys in the Reserve Account shall in any event be made monthly in amounts at least sufficient to restore the Reserve Account to the proper balance within twenty-four (24) months after the date upon which a draw on the Reserve Account is made. To the extent the Reserve Account is funded in part with one or more surety bonds and in part with cash, the cash on deposit in the Reserve Account shall be drawn upon first and any surety shall only be drawn upon when such cash has been depleted.

It is expressly provided, however, that if on the 1st day of July in any year, after having made the July 1 payment, there are on deposit in the Reserve Account in the Sinking Fund moneys and securities (such securities to be valued at the lower of their market value or face amount, plus accrued interest thereon to July 1) the aggregate amount of which is in excess of the amount then required to be maintained in said Reserve Account, such excess, together with any monies then in the Debt Service Account not needed to make the prior year's payments on the outstanding Existing Bonds shall be withdrawn from said Reserve Account and the Debt Service Account and immediately deposited into the Revenue Fund. The calculation and determination of such excess amount in accordance with this provision shall be the responsibility of the chief fiscal officer of the Town and such fiscal officer shall notify the Sinking Fund Custodian and make or cause to be made any transfer of funds required pursuant to the provisions of this subparagraph.

All sums required to be paid to comply with the provisions of the Bond Ordinance for payment of amounts into the Sinking Fund will be paid on or prior to the 10th day of each month in which payment is due, and if, for any reason, the Town fails to pay the full amount herein required to be paid into the Debt Service Account of the Sinking Fund, the amount of any such deficiency will be added to and will become a part of the amount due and payable into the Debt Service Account of the Sinking Fund in the next succeeding month; provided, however, the Town has covenanted and agreed in the Bond Ordinance that in the event it elects to issue Additional Bonds, the above stated payments into the Debt Service Account of the Sinking Fund will be increased to the extent necessary to pay the principal of and the interest on the outstanding Existing Bonds, the outstanding Series 2025 Bonds, and on any additional parity bonds therewith hereafter issued then outstanding and on the bonds proposed to be issued

coming due, either at maturity or by proceedings for mandatory redemption, in the then current sinking fund year.

Construction Fund

The Town has heretofore created pursuant to the Bond Ordinance a special fund designated “Town of Braselton Water and Sewerage System Construction Fund” (the “Construction Fund”), which is held by U.S. Bank Trust Company, National Association, as Depository for the Construction Fund. A portion of the proceeds of the Series 2025 Bonds will be deposited in the Construction Fund and used in accordance with the Bond Ordinance to pay costs of the 2025 Project and certain costs of issuing the Series 2025 Bonds.

Renewal and Extension Fund

The Town has heretofore created pursuant to the Bond Ordinance a special fund designated “Town of Braselton Water and Sewerage System Renewal and Extension Fund” (the “Renewal and Extension Fund”), which is held by Northeast Georgia Bank, Braselton, Georgia, as Depository for the Renewal and Extension Fund. The Bond Ordinance provides that after all other required payments have been made from the Revenue Fund into the Sinking Fund, all moneys remaining in the Revenue Fund, less a reasonable working capital reserve in an amount not to exceed 45 days estimated operating and maintenance cost, will be paid into the Renewal and Extension Fund and such payments will continue from month to month. Moneys in the Renewal and Extension Fund are to be used only for the following purposes:

(a) Paying principal of and interest on any of the Town’s water and sewerage revenue bonds then outstanding and falling due at any time sufficient funds are not available in the Sinking Fund securing the payment of same and interest thereon;

(b) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;

(c) Payment of the charges of the Depository for investment services; and

(d) Making and planning replacements, additions, extensions, and improvements to the System, including the acquisition of equipment and engineering services, all as deemed by the Town Council to be reasonable and in the best interest of the Town and the bond owners;

(e) Acquiring bonds in the open market at a price less or equal to the redemption price.

Such payments into the Renewal and Extension Fund may be suspended and such moneys made available and pledged to the extent necessary for the payment of the principal of and interest on any junior lien bonds issued by the Town.

Investments

Monies in the Construction Fund, the Revenue Fund, the Sinking Fund, and the Renewal and Extension Fund not needed for the payment of current obligations may be invested at the direction of the duly authorized officers of the Town, subject to any applicable restrictions in the Bond Ordinance, but only in the following ("Permitted Investments"), to the extent permitted by applicable law:

(a) Certificates of interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(b) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (i) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (ii) debentures of the Federal Housing Administration, (iii) guaranteed mortgage backed bonds of the Government National Mortgage Association, (iv) certificates of beneficial interest of the Farmers Home Administration, (v) obligations of the Federal Financing Bank or (vi) project notes and local authority bonds of the Department of Housing and Urban Development.

(c) Investments in (i) senior obligations of the Federal Home Loan Bank System, (ii) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (iii) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association or (iv) senior debt obligations of the Student Loan Marketing Association.

(d) Repurchase agreements with primary dealers and/or banks rated, at all times, AA and AA2 or better by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively, collateralized with the obligations described in (a) or (b) above, held by a third party custodian, at the levels set forth below, which repurchase agreements have been approved by the bond insurer of the Existing Bonds.

(e) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Paying Agent or an affiliate of the Paying Agent acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.

(f) Certificates of deposit of any bank (including the Paying Agent), trust company or savings and loan association whose short term obligations are rated, at all times, A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service, Inc. provided that such certificates of deposit are fully secured by the obligations described in (a) or (b) above, at the levels set forth below, the Paying Agent has a perfected first security interest in the obligations securing the certificates and the Paying Agent holds (or will have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(g) Certificates of deposit of any bank (including the Paying Agent), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(h) Commercial paper rated, at all times, P-1 or better by Moody's Investors Service, Inc. and A-1+ by Standard & Poor's Corporation.

(i) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by Standard & Poor's Corporation and Moody's Investors Service, Inc. in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier or otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature.

The following further requirements will also apply: (1) On each valuation date the market value of the collateral must be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is being secured; (2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage must be restored within the following restoration periods: one business day for daily valuations, two business days for weekly valuations, and one month for monthly and quarterly valuations. The use of different restoration periods affect the requisite collateral percentage; and (3) The Town will terminate any repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period, and, if not paid by the counterparty in federal funds against transfer of the repo securities, the Town will liquidate the collateral.

Investments on deposit in all funds and accounts will be valued at market value quarterly on February 1, May 1, August 1, and November 1 of each year.

Additional Bonds

The Bond Ordinance authorizes the Town to issue additional bonds ranking on a parity as to lien on the net revenues of the System with the Existing Bonds and the Series 2025 Bonds (such additional parity bonds are herein sometimes referred to as "Additional Bonds") from time to time provided all of the following conditions are met:

(a) The facilities being financed by such Additional Bonds will be made a part of the System and the net revenues derived therefrom will be pledged as additional security for such Additional Bonds and all bonds outstanding.

(b) The payments required to be made into the Sinking Fund pursuant to the Bond Ordinance as the same may have been enlarged and extended in any proceedings authorizing the issuance of any Additional Bonds will be made as required and the Sinking Fund will be at its then current proper balance.

(c) The net earnings of the System for a period of twelve (12) consecutive months out of fifteen (15) consecutive months immediately preceding the month of adoption of the proceedings authorizing the issuance of such Additional Bonds will be equal to at least 125% (provided however, "125%" shall be reduced to "100%" for any

refunding bond issue which will result in a reduction in debt service for each year and which will also result in the aggregate debt service on the refunding bond issue being less than the aggregate debt service on the Existing Bonds or the Refunded Obligations being refunded) times the highest combined principal and interest requirements for any succeeding sinking fund year on the Existing Bonds, the Series 2025 Bonds, any outstanding Additional Bonds previously issued and any other issue or issues of Additional Bonds proposed to be issued, or, in lieu of the foregoing formula, if a new schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System has been adopted at least 60 days prior to adoption of the proceedings authorizing the issuance of such Additional Bonds and an independent and recognized firm of certified public accountants certifies that had the new rate schedule been in effect during the period described above the net revenues of the System would have equaled the requirements of the above formula. Net earnings for the purpose of this provision will be construed to be the gross earnings of the System (including without limitation, interest and investment income but excluding interest and investment income derived from any construction fund created with the proceeds of bonds) remaining after the payment of the sums required or permitted to be paid to maintain and operate the System pursuant to the applicable provisions of the Bond Ordinance, but before provision for depreciation and amortization.

(d) An independent and recognized firm of certified public accountants must certify to the governing body of the Town, that the Town is complying with the requirements of subparagraph (b) above and has met the requirements of subparagraph (c) above. A copy of such certificate must be furnished to the designated representative of the original purchasers of the Existing Bonds and the Series 2025 Bonds.

(e) The governing body of the Town must pass proper proceedings reciting that all of the above requirements have been met, must authorize the issuance of the said bonds, and must provide in such proceedings, among other things, the date such bonds will bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions. The interest on the bonds of any such issue must fall due on July 1 and January 1 of each year, and the bonds must mature in installments on January 1 and/or July 1, but, as to principal, not necessarily in each year or in equal installments, provided that if such Additional Bonds must bear interest a variable rate, the Town may, by supplemental resolution, designate such other interest payment dates or record dates with respect to such Additional Bonds as may be appropriate. Any such proceeding or proceedings must require the Town to increase the monthly payments then being made into the Sinking Fund to the extent necessary to provide for the payment of the debt service requirements on the Existing Bonds, the Series 2025 Bonds then outstanding, and on the Additional Bonds proposed to be issued in the then current and future sinking fund years. Any such proceeding or proceedings must restate and reaffirm, by reference, all of the applicable terms, conditions, and provisions of the Bond Ordinance not modified in such proceedings. Any such proceeding or proceedings must require the Town to increase the monthly payments then being made into the Sinking Fund to the extent necessary to pay the principal of and interest on the Existing Bonds, the Series 2025 Bonds, and on all such Additional Bonds therewith still outstanding and on the Additional Bonds proposed to be issued as the same mature in the then current sinking

fund year. Any such proceeding or proceedings must restate and reaffirm by reference all of the applicable terms, conditions, and provisions of the Bond Ordinance.

(f) Such Additional Bonds and all proceedings relative thereto and the security therefor will be validated as prescribed by law.

(g) The Town must execute simultaneously with the issuance of Additional Bonds a certificate certifying that the Town is in compliance with all requirements of the Bond Ordinance.

(h) The Town must receive an opinion of counsel to the Town to the effect that the proceedings authorizing the issuance of Additional Bonds have been duly adopted by the Town.

(i) The Town must execute an order authorizing the authentication of such Additional Bonds upon such conditions as may be specified therein and directing the application of the proceeds of such Additional Bonds.

(j) In the event that any such Additional Bonds bear interest at a rate other than a fixed rate of interest per annum, (a) the proceedings of the Town Council under which such Additional Bonds are issued will provide a “cap” or a maximum rate of interest per annum which such Additional Bonds may bear, (b) the remarketing agent must have trust powers if it is responsible for receiving money or receiving bonds and (c) in the event that the Town enters into a contract with the bank or other financial institution (a “Liquidity Provider”) to provide liquidity for such Additional Bonds, (i) the interest rate payable to the Liquidity Provider must be specified at the time of issuance of such Additional Bonds, (ii) any acceleration of principal payments due to the Liquidity Provider or any interest due in excess of the interest payable on such Additional Bonds must be subordinate to the payment of debt service on the bonds outstanding under the Bond Ordinance, and (iii) the Liquidity Provider must be rated in the highest short-term rating category by Moody’s or S&P.

(k) The proceeds of any Additional Bonds authorized to be issued must be used only for the purpose of adding to, extending, and improving the System and its related properties (including but not limited to, the acquisition, construction and equipping of such building or buildings and structures and appurtenances pertaining thereto as may be deemed necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the functions of the System) or to redeem or refund any one or more series of bonds previously issued under the Bond Ordinance, or other debt relating to the System, and paying the usual and necessary expenses incurred and to be incurred incident to accomplishing any of the foregoing, including, without limitation, the costs of lands, rights-of-way, contract rights, franchises, and easements and costs of issuance of such bonds.

(l) In the event Additional Bonds are to be issued to finance additions, extensions and improvements to the System, the current consulting engineer of the Town must (a) recommend that such additions, extensions and improvements, including the

acquisition of equipment, be made to the System and that such additions, extensions and improvements are feasible, designating in reasonable detail the work and installation proposed to be done and the estimated costs of accomplishing such undertaking; and (b) certify that the project net earnings to be derived from the System are at least equal to 1.10 times the maximum debt service requirement for the current or any future sinking fund year on the bonds then outstanding and the Additional Bonds proposed to be issued.

The principal of and interest on the Existing Bonds, the Series 2025 Bonds, and of any subsequent series of Additional Bonds, when properly authorized as hereinabove provided for, will be payable solely from the net revenues of the System as provided in the Bond Ordinance, and all the covenants, agreements, and provisions of the Bond Ordinance will be for the equal and proportionate benefit and security of all of the holders of the bonds without preference, priority or distinction as to lien or otherwise of any one bond over any other bonds.

Restrictions on Redemption

In the event that any Additional Bonds are issued, the Existing Bonds, the Series 2025 Bonds, or any such issue or issues of Additional Bonds then outstanding will not be subject to optional redemption in part from moneys in the Sinking Fund unless and until the Sinking Fund has sufficient funds to pay the principal of and interest on the Existing Bonds, the Series 2025 Bonds, and all such outstanding Additional Bonds coming due in accordance with their terms, whether at maturity, or by proceedings for mandatory redemption, in the then current sinking fund year.

Rates and Charges

The Town has established a schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System and is required, as often as necessary, to revise and place in effect a schedule which will produce sufficient funds (a) to operate and maintain the System on a sound businesslike basis, (b) to create and maintain the Sinking Fund in amounts sufficient to provide for the payment of the principal of and interest on the Existing Bonds, Series 2025 Bonds, and any future Additional Bonds as same become due and payable in the then current sinking fund year, and (c) to create and maintain the Renewal and Extension Fund. Furthermore, such rates, fees, and charges must be maintained at a level necessary to produce annually net revenues equal to at least the sum of (i) one and ten hundredths (1.10) times the amount then required to be paid into the Sinking Fund to pay annually the principal and/or interest on the Existing Bonds, the Series 2025 Bonds, and any Additional Bonds that become due and payable in the then current sinking fund year and (ii) one (1.0) times the amount required annually to be paid into the Sinking Fund to pay the current principal and interest of any debt of the System subordinate to the Existing Bonds, the Series 2025 Bonds, or such larger amounts as may be required in any proceedings authorizing the issuance of any Additional Bonds. Net revenues for the purpose of this paragraph will be construed to be the gross revenues of the System remaining after payment of the sums permitted and required to operate and maintain the System pursuant to the relevant provisions of the Bond Ordinance. In the event the net revenues are not being maintained at such minimum level, the Town must instruct its consulting engineers to recommend to said governing body of the Town a schedule of rates, fees

and charges deemed by said engineers to be sufficient to produce net revenues at least equal to said requirements.

Operation of the System

The Town covenants that it has and will continue to enforce reasonable rules and regulations governing the System and the operation thereof, and that all compensation, salaries, fees, and wages paid by it in connection with the maintenance, repair, and operation of such System will be reasonable, and that no more persons will be employed by it than are necessary, and that it will operate same in an efficient and economical manner, and will at all times maintain the same in good repair and in sound operating condition, and will make all necessary repairs, renewals, and replacements, and that it will comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body applicable to such undertaking and enterprise.

Contractual Restrictions

The Town covenants that any contract relating to the installation, extension, improvement, maintenance, or repair of any water or sewerage facilities must provide for the retention of ten percent (10%) of the gross value of the completed work; provided, however, that the Town at its option, may elect to retain amounts on estimates or progress payments submitted after fifty per centum (50%) of the work has been completed, if, in the opinion of the Town such work is satisfactory and has been completed on schedule. If, after discontinuing the retention, the Town determines that the work is unsatisfactory or has fallen behind schedule, the ten per centum (10%) retention may be resumed. Such restrictions are not to affect the retained amounts on the first fifty per centum (50%) of the work which will continue to be held to ensure satisfactory completion of the work. Final payment will be made after certification by the Town's consulting engineer that the work has been satisfactorily completed and is accepted in accordance with the contract and plans and specifications pertaining thereto.

Disposition of Property; Encumbrances

The Town covenants that so long as the Series 2025 Bonds are outstanding, it will not encumber the System or any part thereof, and it will not sell or otherwise dispose of the System or any integral part thereof, except it may sell such System as a whole, or substantially as a whole, if the proceeds of such sale are at least sufficient to provide for the redemption of all bonds authorized under and secured by the Bond Ordinance and any interest accrued or to accrue thereon, and that the proceeds of any such sale must be deposited with the applicable paying agents in trust and applied by it to the extent necessary to purchase or redeem such bonds. The Town will not, however, be precluded from the sale of a part of the System where the sale would not, in any way, adversely affect the revenues of the System, and provided further that the proceeds from such sale are used for extensions and improvements to the System, or deposited with the sinking fund custodian(s) in trust and applied toward the purchase or redemption of such bonds. The Town will not create, or permit to be created, any charge, lien, or encumbrance or any security interest in or on the revenues of the System, as it now exists and as it is hereafter added to, extended, and improved, ranking prior to the lien on said revenues created to secure the payment of such bonds issued under the Bond Ordinance or ranking equally with said charge or

lien of bonds, except that it may issue Additional Bonds standing on a parity with the Existing Bonds and the Series 2025 Bonds in accordance with the provisions of the Bond Ordinance.

Furthermore, the Town covenants that it will not create or suffer to be created, in the operation and maintenance of the System, any lien, security interest, or charge thereon, or any part thereof, or upon the revenues derived therefrom, or any capital lease payable therefrom, ranking equally with or prior to the lien and charges authorized by the Bond Ordinance upon such revenues, and that it will pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge, within 60 days after the same will accrue, all lawful claims and demands for labor, materials, supplies, or other objects, which, if unpaid, might by law become a lien upon such System, or any part thereof, or upon the revenues derived therefrom: provided, however, that the Town will not be required to pay, or cause to be discharged, or make provision for, any such lien, security interest, or charge, so long as the validity thereof will be contested in good faith and by appropriate legal proceedings.

Insurance; Bonding of Employees

So long as the Existing Bonds, the Series 2025 Bonds, and any Additional Bonds issued under the Bond Ordinance are outstanding and unpaid, or until provision has been duly made for the payment thereof in accordance with the provisions of the Bond Ordinance, the Town must cause its employees or agents handling funds of the System to be bonded in amounts considered necessary for the Town's protection. The Town must also procure and maintain or cause to be procured and maintained: (a) fire and extended coverage insurance on the insurable portions of the System with a responsible insurance company or companies authorized and qualified to do business under the laws of the State of Georgia; (b) public liability insurance relating to the operation of the System covering such risks and in such amounts as are customary for comparable municipal water and sewerage systems with the State of Georgia; and (c) vehicular public liability insurance on any vehicle owned and operated by the Town and used in the operation of the System within the limits of not less than \$100,000 for injury to or death of one individual, \$300,000 for injury or death arising out of anyone accident, and \$50,000 property damage insurance for anyone accident.

In the event the foregoing coverages are not commercially available at a reasonable cost, as determined by the Town, in its sole discretion, the Town must obtain and maintain such insurance satisfactory to the Town that most nearly provides protection similar to that required in the Bond Ordinance to make such other provisions that provide such protection, including without limitation complete or partial self-insurance, organization, either solely or in connection with others, of insurance companies, participation in programs of captive insurance companies organized by others, establishment of a self-insurance trust fund, participation in mutual or cooperative insurance or other risk management programs with others entering into agreements with local, state or federal governments to achieve such insurance, taking advantage of state or federal statutory laws limiting medical malpractice liability, or participation in other risk management programs. Any of the insurance above may provide deductible provisions in amounts consistent with general practice for municipalities of similar type and size of the Town as determined in good faith by the Town.

The proceeds of such fire and extended coverage insurance are pledged as security for the bonds but will be available for and will, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property. In the event the proceeds are not used for that purpose, such proceeds will be deposited in the Renewal and Extension Fund, provided, however, that all such repairs and replacements will be made in all instances whereby the failure to do so would adversely affect the revenues of the System. Proceeds from the fidelity bonds on employees or agents will be paid into the appropriate fund. All insurance policies and fidelity bonds will be open to the inspection of the bondholders or their duly authorized representatives at all times.

Accounts and Reports

Within 30 days after the end of its fiscal year, or as soon thereafter as practicable, the Town is required to cause an audit to be made to the books and accounts pertaining to the System by an independent and recognized firm of certified public accountants of suitable experience and responsibility. The annual audit and the audited financial statement for each fiscal year must be completed within 120 days after the end of each fiscal year. Pursuant to the Bond Ordinance, the audit report is to be open to inspection by all interested persons and copies of the report are required to be sent to the designated representatives of the original purchasers of the bonds. The Town will also cause any additional reports or audits relating to the System to be made, as required by law, and from time to time, as often as may be requested, it will furnish to the designated representatives of the original purchasers of the bonds such other information concerning the System or the operation thereof as may reasonably be requested.

Events of Default and Remedies

Each of the following events constitute an “event of default” under the Bond Ordinance: (a) payment of the principal of any of the bonds is not be made when the same become due and payable, either at its maturity or by proceedings for redemption; or (b) payment of any installment of interest on any of the bonds is not be made when the same becomes due and payable; or (c) the Town, for any reason, is rendered incapable of fulfilling its obligations under the Bond Ordinance; or (d) an order or decree is entered, with the consent or acquiescence of the Town, appointing a receiver, or receivers, of the System, or of the revenues thereof, or any proceedings is instituted, with the consent or acquiescence of the Town, for the purpose of effecting a composition between the Town and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of the revenues of the System, or if such order or decree, having been entered without the consent and acquiescence of the Town, is not vacated or discharged or stayed on appeal within 60 days after entry thereof, or if such proceeding, having been instituted without the consent or acquiescence of the Town, is not withdrawn, or any orders entered are not be vacated, discharged, or stayed on appeal, within 60 days of the institution of such proceedings, or the entry of such orders; or (e) the Town defaults in the due and punctual performance of any other of the covenants, conditions, agreements, or provisions contained in the bonds or in the Bond Ordinance on the part of the Town to be performed, and such default continues for 30 days after written notice, specifying such default and requiring same to be remedied, has been given to the Town by any bondholder.

Upon the happening and continuance of any such event of default described above, the holders of not less than 55% in principal amount of the bonds then outstanding may, (with the consent of the bond insurer as to the Existing Bonds), by a notice in writing to the Town, declare the principal of all of the bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable; provided, however, that if at any time after the principal of the bonds have been so declared to be due and payable, all arrears of interest, if any, upon the bonds then outstanding, and all other indebtedness secured hereby, except the principal of any bonds not then due by their terms, and the interest accrued on such bonds since the last interest payment date, has been paid or provided for and every other event of default would have been made good, or provisions therefor satisfactory to such bondholders would have been made, then and in every such case, the holders of not less than 55 percent in principal amount of the bonds then outstanding may, by written notice to the Town, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to, or affect, any subsequent default or impair any right subsequent thereto.

Amendment

The Bond Ordinance may not be amended or repealed in any respect which will adversely affect the rights and interest of the owners of the Existing Bonds or the Series 2025 Bonds so long as such Bonds remain unpaid. Certain supplemental resolutions otherwise permitted by the Bond Ordinance, which amend or repeal the Bond Ordinance or portions thereof, will not be effective without the approval of the owners of two-thirds (2/3) of the principal amount of the bonds then outstanding.

Defeasance

Any bond issued under the Bond Ordinance for the payment or redemption of which sufficient direct obligations of the United States government have been deposited with the paying agent (whether upon or prior to the stated maturity or the redemption date of such bonds) will be deemed to be paid and shall no longer be outstanding under the Bond Ordinance, so long as provision has been duly made therefor in accordance with the terms of the Bond Ordinance.

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APPENDIX D

FORM OF LEGAL OPINION

The form of Legal Opinion included as this **APPENDIX D** has been prepared by Holland & Knight LLP, Atlanta, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2025 Bonds.

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October __, 2025

Town of Braselton
Braselton, Georgia

U.S. Bank Trust Company, National
Association
Atlanta, Georgia

Stifel, Nicolaus & Company,
Incorporated
Atlanta, Georgia

Re: \$_____ Town of Braselton, Georgia Water and Sewerage Revenue Bonds,
Series 2025

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Braselton, Georgia (the “Town”) in connection with the issuance by the Town of the \$_____ Town of Braselton, Georgia Water and Sewerage Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). In such capacity, we have examined (i) a certified copy of the validation proceedings relating to the Series 2025 Bonds conducted in the Superior Court of Jackson County, Georgia, (ii) the Constitution and laws of the State of Georgia, including specifically the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 et seq.) (iii) an ordinance adopted by the Town Council on August 4, 2003, as ratified, reaffirmed, supplemented, and amended by ordinances adopted on December 17, 2003, December 3, 2009, December 21, 2009, March 14, 2012, May 7, 2015, October 30, 2019, November 20, 2019 and September __, 2025 (as supplemented, the “Bond Ordinance”) and (iv) such other laws, documents, instruments, certified proceedings and certificates as we have deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials and others, we have assumed the same to have been properly given and to be accurate.

The Series 2025 Bonds are being issued by the Town to (i) refund a portion of its Water and Sewerage Taxable Revenue Bonds, Series 2015A (the “Refunded Obligations”), (iii) finance or refinance certain additions, improvements and expansions to the hereinafter described System (the “2025 Project”), and (iv) pay certain costs of issuing the Series 2025 Bonds.

Under the Bond Ordinance, the Town has pledged the net revenues (as more fully described in the Bond Ordinance) (the “Net Revenues”) of the Town’s Water and Sewer System (the “System”) for the payment of principal of, premium (if any) and interest on the Series 2025 Bonds when due.

Regarding questions of fact material to our opinion, we have relied on certified proceedings and other certifications of public officials and others furnished to us and representations of the Town (including, without limitation, representations as to the use and investment of the proceeds of the Series 2025 Bonds and the cost, use and reasonably expected

economic useful life of the facilities refinanced with the proceeds of the Series 2025 Bonds), without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that under existing law:

1. The Town has the power to adopt the Bond Ordinance, perform the agreements on its part contained therein, and issue the Series 2025 Bonds.

2. The Bond Ordinance has been adopted by the Town and constitutes a valid and binding obligation of the Town enforceable against the Town.

3. The Bond Ordinance creates a valid lien on the Net Revenues of the System for the security of the Series 2025 Bonds on parity with other bonds issued or to be issued under the Bond Ordinance.

4. The Series 2025 Bonds have been duly authorized and executed by the Town, and are valid and binding limited obligations of the Town, payable solely from the Net Revenues of the System and any other funds provided therefor in the Bond Ordinance.

5. Interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence assumes the accuracy of factual representations made by the Authority and is subject to the compliance by the Authority with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that the interest on the Series 2025 Bonds be, and continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactively to the original date of issuance of the Series 2025 Bonds. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on the Series 2025 Bonds.

6. The interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation.

The rights of the owners of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds and the Bond Ordinance are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein with respect to the accuracy, completeness or sufficiency of the Official Statement relating to the Series 2025 Bonds, nor do we express any opinion as to compliance by the Town or the underwriter of the Series 2025 Bonds with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2025 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

HOLLAND & KNIGHT LLP

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

The form of Continuing Disclosure Agreement included as this **APPENDIX E** is substantially the form to be executed by the Town in connection with the issuance and delivery of the Series 2025 Bonds.

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the Town of Braselton, Georgia (the “Town”), in connection with the issuance of \$_____ Town of Braselton, Georgia Water and Sewerage Revenue Bonds, Series 2025 (the “Bonds”). The Town hereby covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Town for the benefit of the Bondholders (as herein defined) and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined). The contents of the Annual Report and the categories of financial and operating data of the Town to be presented in the Annual Report, as such information is presented in the Official Statement (as herein defined) relating to the Bonds, will be provided by the Town as set forth in Sections 3 and 4 of this Disclosure Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to the Rule and as described in Sections 3 and 4 of this Disclosure Agreement.

“Bondholders” means the beneficial owners of the Bonds.

“Bond Ordinance” means the ordinance of the Mayor and Town Council, adopted on August 4, 2003, as ratified, reaffirmed, supplemented, and amended by ordinances adopted on December 17, 2003, December 3, 2009, December 21, 2009, March 14, 2012, May 7, 2015, October 30, 2019, November 20, 2019 and September ___, 2025.

“Dissemination Agent” shall mean Digital Assurance Certification or any successor Dissemination Agent designated in writing by the Town and which has field with the Town a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule provided at <http://www.emma.msrb.org> or any similar system that is acceptable to the Securities and Exchange Commission.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Town as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB’s address is:

MSRB
1900 Duke Street, Suite 600
Alexandria, Virginia 22314
Attention: Disclosure

“Official Statement” shall mean the Official Statement relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

“System” shall mean the Town’s water and sewerage system.

SECTION 3. Provision of Annual Reports.

(a) Not later than 270 days after the end of each Fiscal Year, commencing with the Town’s Fiscal Year ended June 30, 2025, the Town shall, or shall cause the Dissemination Agent to, provide to EMMA an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen business days prior to such date, the Town shall provide the Annual Report to the Dissemination Agent (if other than the Town). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. Notwithstanding the foregoing, the audited financial statements of the Town may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included in the Annual Report and will be submitted at a later date, the Town shall include unaudited financial information in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to EMMA.

(b) The Town shall, or shall cause the Dissemination Agent to, also:

(i) determine each year prior to the date for providing the Annual Report the name and address of EMMA; and

(ii) if the Annual Report (or audited financial statements which were to be separately submitted) is not filed in accordance with subsection (a) above, send a notice to EMMA in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports. The Town's Annual Report shall be in an electronic format as prescribed by the MSRB and shall contain or incorporate by reference the following:

(a) the Town's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to EMMA pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(b) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the Town, a narrative explanation describing the impact of such changes on the Town; and

(c) information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the System: (i) average and maximum daily (in MGD) water demand, (ii) number of water customers by customer class, (iii) ten largest water customers, (iv) average and maximum daily (in MGD) treated wastewater flow, (v) number of sewer customers by customer class, (vi) ten largest sewer customers, (vii) rates, fees and charges, (viii) historical debt service coverage ratio, and (ix) insurance coverage of the System.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Town is an "obligated person" (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Town shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. The Town shall give, or cause to be given, notice to EMMA, in an electronic format as prescribed by the MSRB, of the occurrence of any of the following events with respect to the Bonds within ten business days of the occurrence of the event:

- (a) Principal and interest payment delinquencies;
- (b) Nonpayment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) Modifications to rights of the holders of the Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the Town;

(m) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, or the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional Paying Agent or Bond Registrar or the change of name of a Paying Agent or Bond Registrar, if material.

SECTION 6. Termination of Reporting Obligation. The obligations of the Town under this Disclosure Agreement shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. The Town shall, or shall cause the Dissemination Agent to, notify EMMA that its obligations under this Disclosure Agreement have terminated. If the obligations of the Town are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Town, and the Town shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Town shall be the Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment. This Disclosure Agreement may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Town to the effect that the amendment does not violate the provisions of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of

dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Town shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town to comply with any provision of this Disclosure Agreement, the Participating Underwriter or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Town to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a “default” or an “event of default” under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance. The cost to the Town of performing its obligations under the provisions of this Disclosure Agreement shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Town agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need-not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Town under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 16. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

[Remainder of page intentionally left blank]

Date: _____, 2025

TOWN OF BRASELTON, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

By: _____
Town Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Town of Braselton, Georgia

Name of Bond Issue: \$_____ Town of Braselton, Georgia Water and Sewerage
Revenue Bonds, Series 2025

CUSIP Number¹:

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Town has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Agreement, dated _____, 2025. The Town anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____, 20__.

TOWN OF BRASELTON, GEORGIA

By: _____
Mayor

¹No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

APPENDIX F

FORM OF MUNICIPAL BOND INSURANCE COMPANY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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