TOWN OF BRANTLEY, ALABAMA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

TOWN OF BRANTLEY, ALABAMA

TABLE OF CONTENTS
SEPTEMBER 30, 2020

Gibson & Carden cpa

t (334) 566-2690
f (334) 566-3764

P.O. Box 667
110 South Brundidge Street
Troy, AL 36081

www.gibsoncarden.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Town Council
Town of Brantley, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide as basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 be presented to supplement the basic financial statements. Such 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. 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2020, on our consideration of the Town of Brantley, Alabama'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 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 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 of Brantley, Alabama's internal control over financial reporting and compliance.

Gibson & Carter

Troy, Alabama
December 18, 2020

Town of Brantley
9042 W. Emmett Ave.
Post Office Box 44
Brantley, AL 36009

Management's Discussion and Analysis

As management of the Town of Brantley, Alabama, we offer readers of the Town of Brantley's financial statements this narrative overview and analysis of the financial activities of the Town of Brantley for the fiscal year ended September 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

The components of the general purpose external financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the Town's financial activities.

Financial Highlights

The assets of the Town exceeded its liabilities at the close of the fiscal year by $5,393,642. (net position).

At the end of the current fiscal year, unreserved fund balance for the General Fund was $639,053, or 64 percent of total General Fund expenditures for the fiscal year.

At the end of the current fiscal year, unreserved fund balance for the Rescue Squad Fund was $193,493, or 149 percent of total Rescue Squad Fund expenditures for the fiscal year.

At the end of the current fiscal year, unreserved fund balance for the Fire Department Fund was $49,427, or 65 percent of total Fire Department Fund expenditures for the fiscal year.

At the end of the current fiscal year, unreserved fund balance for the State Gas Tax Fund was $38,673, or 167 percent of total State Gas Tax Fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are compromised of the following elements:

Government-wide Financial Statements

The government-wide statements provide short and long-term information about the Town's overall financial condition. The two government-wide statements report the Town's net position and how they have changed. net position are the difference between the Town's total assets and total liabilities. Changes in the Town's financial condition may be measured over time by increases and decreases in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide financial statements. The fund financial statements provide a more detailed look at the Town's most significant activities. The Town of Brantley, like all other governmental entities in Alabama, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Brantley can be divided into two categories: governmental funds and proprietary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 1 to the basic financial statements for more detailed information on the elements of the financial statements. Table 1 summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	*Proprietary Funds*	*Fiduciary Funds*
Scope	Entire Town government (except fiduciary funds) and the Town's component units	Activities of the Town that are not proprietary or fiduciary	Activities of the Town that are operated similar to private businesses	Instances in which the Town is the trustee or agent for someone else's resources
Required financial statements	- Statement of net position	- Balance sheet - Statement of revenues, expenditures, and changes in fund balance	- Statement of net position - Statement of revenues, expenses, and changes in net position - Statement of cash flows	- Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	- Revenues for which cash is received during or soon after the end of the year - Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Statement of Net Position

The assets of the Town of Brantley exceeded its liabilities at the close of the fiscal year by $5,393,642. The Town's net position increased by $135,625 for the fiscal year ended September 30, 2020. The largest portion of net position (84%) reflects the Town's current and future investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Brantley uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Brantley's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of net position, $890,820 (16%) is unrestricted.

Table 2 presents the Town's condensed statement of net position as of September 30, 2020, and 2019, derived from the government-wide Statement of net position.

Table 2: Town of Brantley Condensed Statement of Net Position As of September 30

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	$ 959,730	$ 810,013	$ 39,305	$ 48,125	$ 999,035	$ 858,138
Capital assets	2,919,636	3,017,195	2,196,680	2,220,425	5,116,316	5,237,620
Total Assets	$ 3,879,366	$ 3,827,208	$ 2,235,985	$ 2,268,550	$ 6,115,351	$ 6,095,758
Liabilities:						
Long-term liabilities	$ 391,087	$ 415,655	$ 80,000	$ 102,518	$ 471,087	$ 518,173
Other liabilities	173,097	239,217	77,525	80,351	250,622	319,568
Total Liabilities	$ 564,184	$ 654,872	$ 157,525	$ 182,869	$ 721,709	$ 837,741
Net position:						
Invested in capital assets, net of related debt	$ 2,406,739	$ 2,394,610	$ 2,096,083	$ 2,090,364	$ 4,502,822	$ 4,484,974
Unrestricted	908,443	777,726	(17,623)	(4,683)	890,820	773,043
Total Net Position	$ 3,315,182	$ 3,172,336	$ 2,078,460	$ 2,085,681	$ 5,393,642	$ 5,258,017

Condensed Statement of Activities

Table 3 presents the Town's condensed statement of activities for the fiscal year ended September 30, 2020, and 2019, derived from the government-wide Statement of Activities. Over time, increases and decreases in net position measure whether the Town's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by $142,846 or 5%, and the net position of the business-type decreased by $7,221 or 1%.

Table 3: Town of Brantley Condensed Statement of Activities For the Year Ending September 30

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 157,525	$ 102,700	$ 322,997	$ 325,855	$ 480,522	$ 428,555
Operating grants	6,804	5,804	-	-	6,804	5,804
Capital grants	30,707	379,429	-	553,795	30,707	933,224
General revenues:						
Property taxes	23,229	20,106	-	-	23,229	20,106
Other taxes	537,287	455,161	-	-	537,287	455,161
Investment earnings	1,961	1,077	-	-	1,961	1,077
Gain on Sale of Fixed Asset	-	7,935	-	-	-	7,935
Other	730,187	748,830	-	-	730,187	748,830
Total Revenues	1,487,700	1,721,042	322,997	879,650	1,810,697	2,600,692
Expenses:						
General government	442,062	422,490	-	-	442,062	422,490
Public safety	616,109	651,872	-	-	616,109	651,872
Highways and streets	106,423	88,200	-	-	106,423	88,200
Culture and recreation	31,409	26,866	-	-	31,409	26,866
Interest on long-term debt	22,623	27,225	3,652	6,610	26,275	33,835
Water, garbage and sewer	-	-	452,794	424,222	452,794	424,222
Total Expenses	1,218,626	1,216,653	456,446	430,832	1,675,072	1,647,485
Increase in net position Before Transfers	269,074	504,389	(133,449)	448,818	135,625	953,207
Transfers	(126,228)	(104,780)	126,228	104,780	-	-
Increase in net position	142,846	399,609	(7,221)	553,598	135,625	953,207
Net position - Beginning of Year	3,172,336	2,772,727	2,085,681	1,532,083	5,258,017	4,304,810
Net position - End of Year	$ 3,315,182	$ 3,172,336	$ 2,078,460	$ 2,085,681	$ 5,393,642	$ 5,258,017

Overall Analysis

Financial highlights for the Town as a whole during the fiscal year ended September 30, 2020, include the following:

Governmental activities. Governmental activities increased the Town's net position by $142,846. Key elements of this increase are as follows:

Fine revenues were $588,312 mostly from camera car system

Business-type activities: Business-type activities decreased the Town of Brantley's net position by $7,221. Key elements of this decrease are as follows:

Depreciation of $102,640 on capital assets.

Fund Analysis

As noted earlier, the Town of Brantley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town of Brantley's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Brantley's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the fiscal year, the Town of Brantley's governmental funds reported combined ending fund balances of $920,646, a increase of $130,407 in comparison with the prior year. See Note 1 to the financial statements for an explanation of the different types of reserve categories.

General Fund

The General Fund is the chief operating fund of the Town of Brantley. At the end of the current fiscal year, unreserved fund balance of the General Fund totaled $639,053, an increase of $103,733.

Rescue Squad Fund

The Rescue Squad Fund is the chief operating fund for the Brantley Rescue Squad. Fund balance at September 30, 2020, totaled $193,493, which includes an increase of $6,943.

Fire Department Fund

The Fire Department Fund is the chief operating fund for the Brantley Fire Department. Fund balance at September 30, 2020, totaled $49,427, which includes an increase of $3,226.

State Gas Tax Fund

The State Gas Tax Fund is the chief operating fund for street improvements for the Town. Fund balance at September 30, 2020, totaled $38,673, which includes an increase of $16,505.

Proprietary Funds

The Town of Brantley's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The Town's proprietary funds reported net position of $2,078,460 at September 30, 2020, for enterprise funds.

Budget Variances in the General Fund

Budgeted expenditures are based on the estimated revenue receipts as estimated by the Town Council. Original expenditures are budgeted for less than total expected resources available. No variances between the original and final budget or between final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the budgetary comparison schedule for the General Fund in the Required Supplementary Information.

The Town of Brantley does amend the budget during the year as circumstances change. All expenditures/revenues outside the budget are approved by the Council on an individual basis.

The Town had a favorable variance of $103,733 total revenue budgeted. A majority of this increase was due to fine revenue from the camera car system.

Expenses were within tolerable variances established by the Council.

Capital Asset and Long-Term Debt Activity

Capital Asset Activity

The Town of Brantley's investment in capital assets for its governmental and business–type activities as of September 30, 2020, totals $5,116,316 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, water, garbage, and sewer distribution systems, park facilities, and vehicles. Refer to Note 3 to the basic financial statements for additional information on capital assets.

Major capital asset transactions during the year include the following.

- Vehicles $78,895
- Building renovations $17,327
- Road and Sidewalk Inprovements $42,870

Long-term Debt Activity

As of September 30, 2020, the Town of Brantley had total debt outstanding of $613,494. Refer to Note 5 to the basic financial statements for additional information on long-term debt activity.

Alabama general statutes limit the amount of general obligation debt that a unit of government can issue to 20 percent of the total assessed value of taxable property located within that government's boundaries.

Economic Conditions and Outlook

We expect revenues from sales tax in 2021 to be comparative to revenues received in 2020.

Budget Highlights for the Fiscal Year Ending September 30, 2021

Governmental Activities: No significant changes are expected in the coming year. Revenues, expenditures and current programs are expected to remain constant.

Business – type Activities: Water and sewer rates are established by ordinance and are not expected to increase.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Brantley, Post Office Box 44, Brantley, Alabama 36009.

TOWN OF BRANTLEY, ALABAMA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	$ 959,730	$ 8,676	$ 968,406
Receivables	-	30,629	30,629
Fixed assets (net of accumulated depreciation)	2,919,636	2,196,680	5,116,316
Total Assets	$ 3,879,366	$ 2,235,985	$ 6,115,351
Liabilities			
Accounts payable	$ 28,635	$ 6,275	$ 34,910
Other liabilities	22,652	4,889	27,541
Customer deposits	-	45,764	45,764
Notes due within one year	121,810	20,597	142,407
Notes due in more than one year	391,087	80,000	471,087
Total Liabilities	$ 564,184	$ 157,525	$ 721,709
Net Position			
Invested in capital assets, net of related debt	$ 2,406,739	$ 2,096,083	$ 4,502,822
Unrestricted net position	908,443	(17,623)	890,820
Total Net Position	$ 3,315,182	$ 2,078,460	$ 5,393,642

EXHIBIT 2

TOWN OF BRANTLEY, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 442,062	$ 26,568	$ -	$ 30,707	$ (384,787)	$ -	$ (384,787)
Public safety	616,109	130,957	-	-	(485,152)	-	(485,152)
Highways and streets	106,423	-	-	-	(106,423)	-	(106,423)
Culture and recreation	31,409	-	6,804	-	(24,605)	-	(24,605)
Interest on long-term debt	22,623	-	-	-	(22,623)	-	(22,623)
Total Governmental Activities	1,218,626	157,525	6,804	30,707	(1,023,590)	-	(1,023,590)
Business-type Activities:							
Water and garbage	396,908	256,423	-	-	-	(140,485)	(140,485)
Sewer	59,538	66,574	-	-	-	7,036	7,036
Total Business-type Activities	456,446	322,997	-	-	-	(133,449)	(133,449)
Total Primary Government	$ 1,675,072	$ 480,522	$ 6,804	$ 30,707	$ (1,023,590)	$ (133,449)	$ (1,157,039)
General Revenues:							
Property taxes					$ 23,229	$ -	$ 23,229
General sales and use tax					291,190	-	291,190
Franchise, beer, tobacco and lodging tax					191,465	-	191,465
State and local gasoline taxes					54,632	-	54,632
Fines and corrections					588,312	-	588,312
Investment earnings					1,961	-	1,961
Gain (Loss) on sale of fixed assets					-	-	-
Other revenues					141,875	-	141,875
Total General Revenues					1,292,664	-	1,292,664
Transfers:					(126,228)	126,228	-
Change in Net Position					142,846	(7,221)	135,625
Net Position - Beginning of Year					3,172,336	2,085,681	5,258,017
Net Position - Ending of Year					$ 3,315,182	$ 2,078,460	$ 5,393,642

SEE AUDITORS' REPORT AND NOTES TO THE BASIC FINANCIAL STATEMENTS

EXHIBIT 3

TOWN OF BRANTLEY, ALABAMA

FUND BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Rescue Squad	Fire Department	State Gas Tax	Total
Assets					
Cash	$ 674,130	$ 193,493	$ 51,463	$ 40,644	$ 959,730
Accounts receivable	-	-	-	-	-
Total Assets	$ 674,130	$ 193,493	$ 51,463	$ 40,644	$ 959,730
Liabilities					
Accounts payable	$ 24,628	$ -	$ 2,036	$ 1,971	$ 28,635
Other liabilities	10,449	-	-	-	10,449
Total Liabilities	35,077	-	2,036	1,971	39,084
Fund Balances					
Unassigned	639,053				639,053
Assigned for Fire and Rescue	-	193,493	49,427	-	242,920
Restricted for Capital Improvements	-	-	-	38,673	38,673
Total Fund Balances	639,053	193,493	49,427	38,673	920,646
Total Liabilities and Fund Balances	$ 674,130	$ 193,493	$ 51,463	$ 40,644	$ 959,730

SEE AUDITORS' REPORT AND NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF BRANTLEY, ALABAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total Fund Balances - Governmental Fund Types:	$	920,646
Amounts reported for governmental activities in the statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,919,636
Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(525,100)
Net Position of Governmental Activities	$	3,315,182

EXHIBIT 5

TOWN OF BRANTLEY, ALABAMA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Rescue Squad	Fire Department	State Gas Tax	Total
Revenues:					
Taxes	$ 520,903	$ -	$ -	$ -	$ 520,903
State gasoline taxes	-	-	-	39,613	39,613
Charges for services	26,568	130,957	-	-	157,525
Licenses and permits	39,420	-	-	-	39,420
Fines and costs	588,312	-	-	-	588,312
Interest income	795	1,166	-	-	1,961
Library state aid	6,804	-	-	-	6,804
Other revenues	39,234	-	63,221	-	102,455
Total Revenues	1,222,036	132,123	63,221	39,613	1,456,993
Expenditures:					
General government	412,241	-	-	-	412,241
Public safety	384,548	129,649	57,292	-	571,489
Highways and streets	-	-	-	23,108	23,108
Culture and recreation	21,466	-	-	-	21,466
Library	9,943	-	-	-	9,943
Capital outlay	60,197	-	-	-	60,197
Debt service	113,760	-	18,861	-	132,621
Total Expenditures	1,002,155	129,649	76,153	23,108	1,231,065
Excess of Revenues Over (Under) Expenditures	219,881	2,474	(12,932)	16,505	225,928
Other Financing Sources (Uses):					
Proceeds from debt	-	-	-	-	-
Grant revenues	30,707	-	-	-	30,707
Operating transfers in	-	4,469	16,158	-	20,627
Operating transfers out	(146,855)			-	(146,855)
Total Other Financing Sources (Uses)	(116,148)	4,469	16,158	-	(95,521)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	103,733	6,943	3,226	16,505	130,407
Fund Balance - Beginning of Year	535,320	186,550	46,201	22,168	790,239
Fund Balance - End of Year	$ 639,053	$ 193,493	$ 49,427	$ 38,673	$ 920,646

TOWN OF BRANTLEY, ALABAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2020

Net Changes in Fund Balances - Total Governmental Funds	$	130,407
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(97,559)
In the Statement of Activities, only the gain on the sale of the fixed assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the fixed assets sold.		-
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		109,998
Change in Net Position of Governmental Activities	$	142,846

EXHIBIT 7

TOWN OF BRANTLEY, ALABAMA

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

ASSETS

	Water and Garbage Fund	Sewer Fund	Totals
Current Assets:			
Cash	$ 8,676	$ -	$ 8,676
Accounts receivable	25,225	5,404	30,629
Total Current Assets	33,901	5,404	39,305
Fixed Assets:			
Water system	2,729,634	-	2,729,634
Sewer system	-	1,646,759	1,646,759
	2,729,634	1,646,759	4,376,393
Accumulated depreciation	(1,232,834)	(946,879)	(2,179,713)
Net Fixed Assets	1,496,800	699,880	2,196,680
Total Assets	$ 1,530,701	$ 705,284	$ 2,235,985

LIABILITIES AND NET POSITION

	Water and Garbage Fund	Sewer Fund	Totals
Current Liabilities (payable from current assets):			
Accounts payable	$ 6,275	$ -	$ 6,275
Notes payable	20,597	-	20,597
Other liabilities	4,889	-	4,889
Total Current Liabilities (payable from current assets)	31,761	-	31,761
Long-term Liabilities:			
Notes Payable	80,000	-	80,000
Customer deposits	45,764	-	45,764
Total Long-term Liabilities	125,764	-	125,764
Total Liabilities	157,525	-	157,525
Net Position			
Invested in capital assets, net of related debt	1,396,203	699,880	2,096,083
Unrestricted net position	(23,027)	5,404	(17,623)
Total Net Position	1,373,176	705,284	2,078,460
Total Liabilities and Net Position	$ 1,530,701	$ 705,284	$ 2,235,985

EXHIBIT 8

TOWN OF BRANTLEY, ALABAMA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Water and Garbage Fund	Sewer Fund	Total
Operating Revenues:			
Charges for services	$ 256,423	$ 66,574	$ 322,997
Total Operating Revenues	256,423	66,574	322,997
Operating Expenses:			
Personnel services	204,005	-	204,005
Contractual services	21,969	-	21,969
Supplies	2,433	-	2,433
Utilities	9,836	-	9,836
Depreciation	69,217	33,423	102,640
Repair and maintenance	38,303	26,115	64,418
Taxes	3,938	-	3,938
Vehicle	11,928	-	11,928
Miscellaneous	31,627	-	31,627
Total Operating Expenses	393,256	59,538	452,794
Operating Income	(136,833)	7,036	(129,797)
Nonoperating Revenues (Expenses):			
Interest expense	(3,652)	-	(3,652)
Total Nonoperating Revenues (Expenses)	(3,652)	-	(3,652)
Net Income before Contributions and Transfers	(140,485)	7,036	(133,449)
Interfund transfers	167,389	(41,161)	126,228
Changes in Net Position	26,904	(34,125)	(7,221)
Net Position - Beginning of Year	1,346,272	739,409	2,085,681
Net Position - End of Year	$ 1,373,176	$ 705,284	$ 2,078,460

SEE AUDITORS' REPORT AND NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF BRANTLEY, ALABAMA

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Water and Garbage Fund	Sewer Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	$ 267,311	$ 67,276	$ 334,587
Payments to suppliers	(115,914)	(26,115)	(142,029)
Payments to employees for wages and benefits	(204,005)	-	(204,005)
Net Cash Provided (Used) by Operating Activities	(52,608)	41,161	(11,447)
Cash Flows from Noncapital Financing Activities:			
Amounts transferred (to) from other funds	167,389	(41,161)	126,228
Net Cash Provided (Used) by Noncapital Financing Activities	167,389	(41,161)	126,228
Cash Flows from Capital and Related Financing Activities:			
Purchase of fixed assets	(78,895)	-	
Principal payments on capital debt	(29,464)	-	(29,464)
Interest paid on capital debt	(3,652)	-	(3,652)
Net Cash Provided (Used) by Capital and Related Financing Activities	(112,011)	-	(33,116)
Cash Flows from Investing:			
Interest received	-	-	-
Net Increase (Decrease) in Cash and Equivalents	2,770	-	2,770
Cash and Equivalents - Beginning of Year	5,906	-	5,906
Cash and Equivalents - End of Year	$ 8,676	$ -	$ 8,676

SUPPLEMENTARY INFORMATION

	Water and Garbage Fund	Sewer Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ (136,833)	$ 7,036	$ (129,797)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	69,217	33,423	102,640
(Increase) decrease in:			
Accounts receivable	10,888	702	11,590
Increase (decrease) in:			
Accounts payable	(70)	-	(70)
Customer deposits	723	-	723
Other liabilities	3,467	-	3,467
Net Cash Provided by Operating Activities	$ (52,608)	$ 41,161	$ (11,447)

The accompanying financial statements of the Town of Brantley (the "Town") have been prepared in conformity with United States of America generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following summary of the Town's more significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying basic financial statements.

NOTE 1 - Summary of Significant Accounting Policies

In 2004, the Town implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments Omnibus*, which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, entity-wide financial statements, required supplementary information, and the elimination of the effects of the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that entity-wide financial statements are needed to allow user's of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and entity-wide financial reporting as complementary components of a single comprehensive financial reporting model.

(A) Financial Reporting Entity:

The Town of Brantley, Alabama, was incorporated in 1843. The Town was incorporated under the laws of the State of Alabama and operates under the Mayor - Council form of government. As required by United States of America generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Brantley (the primary government) and its component units. The component unit discussed below is included in the Town 's reporting entity because of the significance of its operational or financial relationship with the Town.

Component units - In conformity with United States of America generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity as blended component units.

Blended Component Unit - The Town of Brantley Volunteer Fire Department and Rescue Squad are entities legally separate from the Town and are managed by their members who volunteer for service. For financial reporting purposes, each entity is reported as if they were part of the Town's operations due to the Town being financially accountable for the operating funds and debt of each organization.

(B) Basis of Presentation:

Government-Wide Financial Statements
The Government-wide financial statements (statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines, and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to the program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements
The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The nonmajor governmental funds consist of the Rescue Squad, Fire Department and State Gas Tax funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

General Fund - This fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

(B) Basis of Presentation, Continued:

The Town reports the following major proprietary funds:

Water and Garbage and Sewer Systems - These funds account for the provision of water, garbage and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in these funds including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

(C) Basis of Accounting:

In accordance with Alabama General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

As permitted by United States of America generally accepted accounting principles, the Town has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

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 are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items:

Cash and Cash Equivalents
The Town considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

The Town, for purposes of the statement of cash flows, considers both restricted and unrestricted cash on deposit with financial institutions in demand deposit accounts, such as checking, savings, and money market accounts, to be cash and cash equivalents. Time deposits with an original maturity of more than three months are not considered cash and cash equivalents.

Time certificates of deposit held in banks are carried at cost, which approximates market value. As of September 30, 2020, the carrying amount of the Town's deposits with financial institutions in all funds was $874,514. All of the account balances are covered either by federal depository insurance or under the State of Alabama's Security of Alabama Funds Enhancement (SAFE) program administered by the Alabama state treasurer.

Investments of Alabama Municipalities are controlled by Alabama Law sections 11-81-19 and 11-81-21 and these statutes authorize the Town to invest in certain obligations. Allowable "direct" investments of excess funds that would be in compliance with current state law would be:

A. Direct obligations of the Department of the Treasury of the United States, such as Treasury Bonds, Notes, and Bills.

B. Obligations of the Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing and Urban Development, or Federal Housing Administration. (Does not include Federal National Mortgage Association.)

C. U.S. Dollar denominated deposit accounts and certificates of deposit with banks or savings associations which are qualified under Chapter 14A of Title 41. (These are banks participating in the "SAFE" Program that secures deposits in excess of $250,000)

D. Pre-refunded public obligations which are not callable, which are fully secured as to principal, interest, and redemption premium by direct obligations of the Department of the Treasury, the pre-refunding fund must be verified as sufficient by an independent certified public accountant and also be rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's. (These would be State and Local bonds that have been defeased from the issuer's prospective but are still outstanding and all necessary debt service has been provided for in an escrow fund held by a trustee.)

(D) Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items, Continued:

E. Interests in a common or collective trust fund maintained by any national or state chartered bank, trust company, or savings association having trust powers, or in any open-end or closed-end management type investment company or trust registered under the Investment Company Act of 1940 so as long as 65% of these common or collective funds are invested in items approved in items A-D above and not more that 35% is invested solely in obligations issued or guaranteed by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, including participation certificates of these agencies, and also mortgage related securities of FNMA, FHLMC, Federal Land Banks, Student Loan Marketing Association, and Federal Home Loan banks, or repurchase agreements fully collateralized by obligations, securities, or investments otherwise authorized by E as long as the common or collective trust takes possession of the collateral supporting the repurchase agreement.

Custodial Credit Risk - Deposits

Custodial credit risk that in the event of bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of September 30, 2020, $0 of the Town's bank balance of $874,514 was exposed to custodial credit risk.

Interfund Transactions

Interfund transactions are reflected as transfers.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles of zero. The Town considers accounts receivable to be fully collectible.

Capital Assets

Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the Town's capitalization threshold is met. Proprietary capital assets are also reported in their respective fund financial statements.

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town maintains infrastructure asset records with all other capital assets. Proprietary capital assets are also reported in their respective fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

(D) Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items, Continued:

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and Improvements	50 years
Machinery and Equipment	5 - 10 years
Streets and Infrastructure	15 - 20 years
Water and Sewer System	50 years

Compensated Absences
It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for all vacation and a portion of sick leave amounts are 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Non-Current Governmental Assets/Liabilities
GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

Net Position/Fund Equity
The government-wide and business-type activities fund financial statements utilize a net position presentation. net position are classified as invested in capital assets, net of related debt; restricted; and unrestricted.

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

(D) Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items, Continued:

Unrestricted net position - This category represents net position of the Town, not restricted for any project or other purpose.

In 2011 the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions became effective. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. The Town has adopted to follow this Statement and use the following fund balance categories below:

Nonspendable *fund balance is associated with inventories, prepaids, long-term loans, and notes receivable, these are assets that are not readily available to fund current operational expenditures.*

Restricted *fund balance classification includes amounts that can be spent only for the specific purposes as stipulated by constitution, external resource providers, or through enabling legislation.*

Committed *fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action or resolution of the Town Council (the Town's highest level of decision-making authority.*

Assigned *fund balance classification includes amounts that are intended to be used by the government for specific purposes as determined by the Town Council but do not meet the criteria to be classified as restricted or committed.*

Unassigned *fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.*

Capitalization of Interest Revenue and Expense - Proprietary Funds

It is the policy of the Town to capitalize, during the period of significant construction only, interest on projects of the Water and Garbage and Sewer Systems proprietary funds. During the fiscal year ended September 30, 2020, there were no interest costs required to be capitalized.

(E) Use of Estimates:

The preparation of financial statements in conformity with United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, appropriations over expenditures for major governmental funds were $103,733.

Reclassifications and Eliminations

Internal balances - amounts reported in the fund financial statements as interfund receivables and payable are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

NOTE 2 - Stewardship, Compliance, and Accountability, Continued:

Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities, except for net amount of transfers between governmental and business-type activities, which are reported as transfers - internal activities.

The effect of interfund services between funds is not eliminated in the statement of activities.

NOTE 3 - Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

Primary Government **Governmental activities:**	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 103,077	$ -	$ -	$ 103,077
Total Capital Assets Not Being Depreciated	103,077	-	-	103,077
Capital Assets Being Depreciated:				
Buildings	767,857	17,327	-	785,184
Improvements other than buildings	3,448,278	42,870	-	3,491,148
Machinery and equipment	1,718,656	-	-	1,718,656
Total Capital Assets Being Depreciated	5,934,791	60,197	-	5,994,988
Less Accumulated Depreciation for:				
Buildings	136,547	17,179	-	153,726
Improvements other than buildings	1,443,580	93,934	-	1,537,514
Machinery and equipment	1,440,546	46,643	-	1,487,189
Total Accumulated depreciation	3,020,673	157,756	-	3,178,429
Total Capital Assets Being Depreciated, net	2,914,118	(97,559)	-	2,816,559
Governmental Activities Capital Assets, net	$ 3,017,195	$ (97,559)	$ -	$ 2,919,636

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Being Depreciated:				
Water distribution system	$ 2,650,739	$ 78,895	$ -	$ 2,729,634
Sewer distribution system	1,646,759	-	-	1,646,759
Total Capital Assets Being Depreciated	4,297,498	78,895	-	4,376,393
Less Accumulated Depreciation for:				
Water distribution system	1,163,617	69,217	-	1,232,834
Sewer distribution system	913,456	33,423	-	946,879
Total Accumulated depreciation	2,077,073	102,640	-	2,179,713
Total Capital Assets Being Depreciated, net	2,220,425	(23,745)	-	2,196,680
Business-type Activities Capital Assets, net	$ 2,220,425	$ (23,745)	$ -	$ 2,196,680

NOTE 3 - Capital Assets, Continued:

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

Governmental Activities:	
General government	$ 29,821
Public safety	44,620
Highways and public improvements	83,315
Total Depreciation Expense - Governmental Activities	$ 157,756
Business-Type Activities:	
Utility systems and equipment	$ 102,640
Total Depreciation Expense - Business-Type Activities	$ 102,640
Total Depreciation Expense	$ 260,396

NOTE 4 - Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ -	$ 146,855
Rescue Squad	4,469	-
Fire Department	16,158	-
State Gas Tax	-	-
Proprietary Funds:		
Water and Garbage	167,389	-
Sewer	-	41,161
	$ 188,016	$ 188,016

NOTE 5 - Long-Term Debt

Long-term liability activity for the year ended September 30, 2020 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:					
General obligation notes payable	$ 622,585	$ -	$ 109,688	$ 512,897	$ 121,810
Total Notes Payable	622,585	-	109,688	512,897	121,810
Other liabilities:					
Compensated absences	-	-	-	-	-
Long-term Liabilities	$ 622,585	$ -	$ 109,688	$ 512,897	$ 121,810

Business-type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:					
Proprietary notes payable	$ 130,061	$ -	$ 29,464	$ 100,597	$ 20,597
Total Notes Payable	130,061	-	29,464	100,597	20,597
Long-term Liabilities	$ 130,061	$ -	$ 29,464	$ 100,597	$ 20,597

The annual requirements to amortize all general long-term debt outstanding as of September 30, 2020, including interest payments of $277,610 are as follows:

For the Year Ending September 30,	General Obligations Principal	Interest	Total Payments
2021	121,810	22,952	144,762
2022	20,807	16,958	37,765
2023	16,721	16,152	32,873
2024	13,572	15,474	29,046
2025	8,867	14,875	23,742
2026-2030	50,507	68,202	118,709
2031-2035	62,565	56,144	118,709
2036-2040	77,503	41,207	118,710
2041-2045	96,006	22,703	118,709
2046-2048	44,539	2,943	47,482
			-
	$ 512,897	$ 277,610	$ 790,507

NOTE 5 - Long-Term Debt. Continued

Notes payable at September 30, 2020, are comprised of the following individual issues:

Governmental Activities:

Brantley Bank & Trust Co; $200,000 loan; due in quarterly payments of $5,025 including interest at a rate of 5%		97,242
United States Department of Agriculture Community Facilities Loan; secured by fire truck and grant agreement; due in annual payments of $5,305 including interest at a rate of 4.5%		19,030
United States Department of Agriculture Loan; due in annual payments of $23,744 including interest at a rate of 4.375 %		371,893
Brantley Bank & Trust Co; $21,600 loan for Fire Truck; due in 80 monthly payments of $318 thru September 2023 including an interest at a rate of 5%		10,626
Brantley Bank & Trust Co; $55,000 loan for Fire Truck; due in 2022 including interest at a rate of 5%		14,106
Total Governmental Activities	$	512,897

Business-type Activities

Notes payable:

Alabama Drinking Water Finance Authority, 2.75% interest, due in semi-annual installments thru 2032.	$	85,000
Brantley Bank & Trust Co; $126,299 loan for Garbage Truck; due in 2021 including an interest at a rate of 4%		15,597
Total Business-type Activities	$	100,597

NOTE 5 - Long-Term Debt. Continued

The annual requirements to amortize all business type long-term debt outstanding as of September 30, 2020, including interest payments of $17,839 are as follows:

For the Year Ending September 30,	Debt Obligations Principal	Interest	Total Payments
2021	20,597	2,577	23,174
2022	5,000	2,200	7,200
2023	5,000	2,062	7,062
2024	5,000	1,925	6,925
2025	5,000	1,788	6,788
2026-2030	40,000	6,462	46,462
2031-2035	20,000	825	20,825
	$ 100,597	$ 17,839	$ 118,436

NOTE 6 - Customers' Deposits - Proprietary Fund

No restricted bank account is maintained to hold customers' deposits. The deposits at September 30, 2020, which total $45,764, are included in the operating cash and constitute a portion of the current assets shown in these statements.

NOTE 7 - Litigation

There are no claims that have been determined to have a possible unfavorable outcome that would require payment by, or result in a loss to, the Town of Brantley. Therefore, no disclosure of ongoing litigation is required.

NOTE 8 - Property Taxes

Crenshaw County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation on the behalf of the cities and towns in its jurisdiction. The following dates are applicable to property taxes:

Lien date	Oct. 1
Levy date	Oct. 1
Due date	Dec. 31
Collection date	Oct. 1 - Dec. 31

All property taxes are recognized in compliance with National Council on Governmental Accounting Interpretation No. 3, which states that such revenue should be recorded when it becomes measurable and available. Available means due, past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

NOTE 9 - Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained commercial insurance coverage to effectively manage risk.

NOTE 10 - Cash and Equivalents, Cash Flow Statement

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, deposits, short-term investments and cash and investments with fiscal agents. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

NOTE 11 - Subsequent Events

The Town has evaluated events subsequent to the balance sheet date through the date of the auditors' report, which is the date through which the report was available to be issued.

EXHIBIT 10

TOWN OF BRANTLEY, ALABAMA
BUDGET TO ACTUAL COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020			
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 484,410	$ 484,410	$ 520,903	$ 36,493
Licenses and permits	27,775	27,775	39,420	11,645
Charges for services	600	600	26,568	25,968
Library state aid	5,700	5,700	6,804	1,104
Fines and forfeits	300,000	300,000	588,312	288,312
Interest	200	200	795	595
Other	11,800	11,800	39,234	27,434
Total Revenues	830,485	830,485	1,222,036	391,551
Expenditures:				
General government	347,721	347,721	412,241	(64,520)
Public safety	408,364	408,364	384,548	23,816
Highways and streets	-	-	-	-
Culture and recreation	23,700	23,700	21,466	2,234
Library expenditures	10,700	10,700	9,943	757
Capital outlay	-	-	60,197	(60,197)
Debt service	40,000	40,000	113,760	(73,760)
Total Expenditures	830,485	830,485	1,002,155	(171,670)
Excess (Deficiency) of Revenues Over Expenditures	-	-	219,881	219,881
Other Financing Sources (Uses):				
Debt proceeds	-	-	-	-
Grant revenue	-	-	30,707	30,707
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(146,855)	(146,855)
Total Other Financing Sources (Uses)	-		(116,148)	(116,148)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	-	-	103,733	103,733
Fund Balance - Beginning of Year	535,320	535,320	535,320	-
Fund Balance - End of Year	$ 535,320	$ 535,320	$ 639,053	$ 103,733

SEE AUDITORS' REPORT AND NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Accounting

The procedures established by the Town Council in adopting the budgetary data reflected in the financial statements are as follows:

1. Prior to September 1, the Mayor submits to the Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through passage of a resolution.

The Mayor is authorized to transfer budgeted amounts between departments within any fund and approve reductions of budgeted amounts. All other unencumbered appropriations lapse at year-end. Encumbered amounts are re-appropriated in the ensuing fiscal year budget.

Budgets are adopted for the General Fund and are prepared on a basis consistent with United States of America generally accepted accounting principles. Budget amounts are as originally adopted. The Rescue Squad and Fire Department do not have a legally adopted budget; therefore, that information is not presented.

Basis of Accounting

The Town's budget is prepared on the modified accrual basis for all budgeted funds, including the major fund, General, as presented in the Budget to Actual Comparison Statement - General Fund of the Required Supplemental Information.

Gibson & Carden cpa

t (334) 566-2690
f (334) 566-3764

P.O. Box 667
110 South Brundidge Street
Troy, AL 36081

www.gibsoncarden.com

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

Honorable Mayor and Members of the Town Council
Town of Brantley, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of, and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Brantley, Alabama's basic financial statements and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the next paragraph that we consider to be significant deficiencies.

The Town has historically relied on the Town Clerk to perform all accounting tasks. Thus, the accuracy of the accounting records have traditionally depended on the abilities and integrity of the Town Clerk. To reduce the risks of error or irregularities, many duties would have to be segregated. The limited budget of the Town of Brantley makes it difficult to justify the additional cost required to hire additional employees and without them it makes the Town unable to properly segregate duties. The Mayor and Council involve themselves in reviewing all accounting activity on a regular basis to mitigate this risk.

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

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

Gibson & Carter

December 18, 2020
Troy, Alabama