

**TOWN OF BRANTLEY, ALABAMA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

# TOWN OF BRANTLEY, ALABAMA

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of September 30, 2025, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Brantley, Alabama 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 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.

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 of Brantley, Alabama'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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- \* Exercise professional judgment and maintain professional skepticism throughout the audit.
- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Brantley, Alabama'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 of Brantley, Alabama'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 management's discussion and analysis budgetary comparison schedule 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 January 1, 2026, 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.



Troy, Alabama  
January 1, 2026

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

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**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, 2025. 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 \$9,997,273. (net position).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$626,408, or 41 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 \$137,564, or 101 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 \$89,083, or 118 percent of total Fire Department Fund expenditures for the fiscal year.

At the end of the current fiscal year, restricted fund balance for the State Gas Tax Fund was \$178,108, or 751 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 comprised 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.

| <b>Table 1: Major Features of the Basic Financial Statements</b> |                                                                                        |                                                                                                                                                                                                  |                                                                                                                            |                                                                                           |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|                                                                  | <b>Government-wide<br/>Financial<br/>Statements</b>                                    | <b>Fund Financial Statements</b>                                                                                                                                                                 |                                                                                                                            |                                                                                           |
|                                                                  |                                                                                        | <b>Governmental<br/>Funds</b>                                                                                                                                                                    | <b>Proprietary Funds</b>                                                                                                   | <b>Fiduciary Funds</b>                                                                    |
| <b>Scope</b>                                                     | 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          |
| <b>Required financial statements</b>                             | - Statement of net position                                                            | - Balance sheet<br>- Statement of revenues, expenditures, and changes in fund balance                                                                                                            | - Statement of net position<br>- Statement of revenues, expenses, and changes in net position<br>- Statement of cash flows | - Statement of fiduciary net position<br>- Statement of changes in fiduciary net position |
| <b>Accounting basis and measurement focus</b>                    | 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                                           |
| <b>Type of asset/liability information</b>                       | 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                                 |
| <b>Type of inflow/outflow information</b>                        | 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<br>- 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 \$9,997,273. The Town's net position increased by \$1,015,440 for the fiscal year ended September 30, 2025. The largest portion of net position (93%) 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, \$742,032 (7%) is unrestricted.

Table 2 presents the Town's condensed statement of net position as of September 30, 2025, and 2024, derived from the government-wide Statement of net position.

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

|                                                    | <b>Governmental<br/>Activities</b> |                     | <b>Business-Type<br/>Activities</b> |                     | <b>Total</b>         |                      |
|----------------------------------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|----------------------|----------------------|
|                                                    | <b>2025</b>                        | <b>2024</b>         | <b>2025</b>                         | <b>2024</b>         | <b>2025</b>          | <b>2024</b>          |
| <b>Assets:</b>                                     |                                    |                     |                                     |                     |                      |                      |
| Current and other assets                           | \$ 1,057,732                       | \$ 1,087,055        | \$ 190,881                          | \$ 71,850           | \$ 1,248,613         | \$ 1,158,905         |
| Capital assets                                     | 4,893,497                          | 4,720,268           | 5,504,714                           | 4,902,445           | 10,398,211           | 9,622,713            |
| <b>Total Assets</b>                                | <b>\$ 5,951,229</b>                | <b>\$ 5,807,323</b> | <b>\$ 5,695,595</b>                 | <b>\$ 4,974,295</b> | <b>\$ 11,646,824</b> | <b>\$ 10,781,618</b> |
| <b>Liabilities:</b>                                |                                    |                     |                                     |                     |                      |                      |
| Long-term liabilities                              | \$ 350,755                         | \$ 387,267          | \$ 1,050,000                        | \$ 1,121,549        | \$ 1,400,755         | \$ 1,508,816         |
| Other liabilities                                  | 73,946                             | 90,550              | 174,850                             | 200,419             | 248,796              | 290,969              |
| <b>Total Liabilities</b>                           | <b>\$ 424,701</b>                  | <b>\$ 477,817</b>   | <b>\$ 1,224,850</b>                 | <b>\$ 1,321,968</b> | <b>\$ 1,649,551</b>  | <b>\$ 1,799,785</b>  |
| <b>Net position:</b>                               |                                    |                     |                                     |                     |                      |                      |
| Invested in capital assets,<br>net of related debt | \$ 4,506,230                       | \$ 4,298,418        | \$ 4,344,256                        | \$ 3,634,041        | \$ 8,850,486         | \$ 7,932,459         |
| Restricted                                         | 178,108                            | 368,446             | 122,023                             | -                   | 300,131              | 368,446              |
| Unrestricted                                       | 842,190                            | 662,642             | 4,466                               | 18,286              | 846,656              | 680,928              |
| <b>Total Net Position</b>                          | <b>\$ 5,526,528</b>                | <b>\$ 5,329,506</b> | <b>\$ 4,470,745</b>                 | <b>\$ 3,652,327</b> | <b>\$ 9,997,273</b>  | <b>\$ 8,981,833</b>  |

**Condensed Statement of Activities**

Table 3 presents the Town's condensed statement of activities for the fiscal year ended September 30, 2025, and 2024, 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 \$197,022 or 4%, and the net position of the business-type increased by \$818,418 or 22%.

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

|                                         | Governmental<br>Activities |                     | Business-type<br>Activities |                     | Total               |                     |
|-----------------------------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
|                                         | 2025                       | 2024                | 2025                        | 2024                | 2025                | 2024                |
| <b>Revenues:</b>                        |                            |                     |                             |                     |                     |                     |
| Program revenues:                       |                            |                     |                             |                     |                     |                     |
| Charges for services                    | \$ 164,874                 | \$ 178,502          | \$ 470,002                  | \$ 481,908          | \$ 634,876          | \$ 660,410          |
| Operating grants                        | 6,870                      | 6,867               | -                           | -                   | 6,870               | 6,867               |
| Capital grants                          | 392,451                    | 1,097,782           | 760,997                     | 731,291             | 1,153,448           | 1,829,073           |
| General revenues:                       |                            |                     |                             |                     |                     |                     |
| Property taxes                          | 27,015                     | 26,832              | -                           | -                   | 27,015              | 26,832              |
| Other taxes                             | 742,346                    | 674,727             | -                           | -                   | 742,346             | 674,727             |
| Fines and Corrections                   | 420,763                    | 427,348             |                             |                     | 420,763             | 427,348             |
| Investment earnings                     | 11,726                     | 3,376               | 35                          | 16                  | 11,761              | 3,392               |
| Gain on Sale of Fixed Asset             | -                          | -                   | -                           | -                   | -                   | -                   |
| Other                                   | 228,802                    | 161,931             | -                           | -                   | 228,802             | 161,931             |
| <b>Total Revenues</b>                   | <b>1,994,847</b>           | <b>2,577,365</b>    | <b>1,231,034</b>            | <b>1,213,215</b>    | <b>3,225,881</b>    | <b>3,790,580</b>    |
| <b>Expenses:</b>                        |                            |                     |                             |                     |                     |                     |
| General government                      | 750,168                    | 455,222             | -                           | -                   | 750,168             | 455,222             |
| Public safety                           | 602,221                    | 663,044             | -                           | -                   | 602,221             | 663,044             |
| Highways and streets                    | 151,505                    | 89,352              | -                           | -                   | 151,505             | 89,352              |
| Culture and recreation                  | 15,012                     | 29,344              | -                           | -                   | 15,012              | 29,344              |
| Interest on long-term debt              | 18,680                     | 20,688              | 26,812                      | 25,370              | 45,492              | 46,058              |
| Water, garbage and sewer                | -                          | -                   | 646,043                     | 558,445             | 646,043             | 558,445             |
| <b>Total Expenses</b>                   | <b>1,537,586</b>           | <b>1,257,650</b>    | <b>672,855</b>              | <b>583,815</b>      | <b>2,210,441</b>    | <b>1,841,465</b>    |
| <b>Increase in net position</b>         |                            |                     |                             |                     |                     |                     |
| Before Transfers                        | 457,261                    | 1,319,715           | 558,179                     | 629,400             | 1,015,440           | 1,949,115           |
| Transfers                               | (260,239)                  | (351,315)           | 260,239                     | 351,315             | -                   | -                   |
| <b>Increase in net position</b>         | <b>197,022</b>             | <b>968,400</b>      | <b>818,418</b>              | <b>980,715</b>      | <b>1,015,440</b>    | <b>1,949,115</b>    |
| <b>Net position - Beginning of Year</b> | <b>5,329,506</b>           | <b>4,361,106</b>    | <b>3,652,327</b>            | <b>2,671,612</b>    | <b>8,981,833</b>    | <b>7,032,718</b>    |
| <b>Net position - End of Year</b>       | <b>\$ 5,526,528</b>        | <b>\$ 5,329,506</b> | <b>\$ 4,470,745</b>         | <b>\$ 3,652,327</b> | <b>\$ 9,997,273</b> | <b>\$ 8,981,833</b> |

#### Overall Analysis

Financial highlights for the Town as a whole during the fiscal year ended September 30, 2025, include the following:

**Governmental activities.** Governmental activities increased the Town's net position by \$197,022. Key elements of this increase are as follows:

Capital grants received was \$392,451.

**Business-type activities:** Business-type activities increased the Town of Brantley's net position by \$818,418. Key elements of this increase are as follows:

Capital grants received was \$760,997.

## **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 \$1,031,163, a decrease of \$11,081 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 \$626,408, a decrease of \$47,390.

#### *Rescue Squad Fund*

The Rescue Squad Fund is the chief operating fund for the Brantley Rescue Squad. Fund balance at September 30, 2025, totaled \$137,564, which includes an increase of 2,622.

#### *Fire Department Fund*

The Fire Department Fund is the chief operating fund for the Brantley Fire Department. Fund balance at September 30, 2025, totaled \$89,083, which includes an increase of \$1,868.

#### *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, 2025, totaled \$178,108, which includes an increase of \$31,819.

### **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 \$4,470,745 at September 30, 2025, 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 an unfavorable variance of \$47,390 total expenditures budgeted. A majority of this decrease was due to the transfers and paving capital outlay.

## **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, 2025, totals \$9,997,273 (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.

- Water and Sewer system improvements of \$768,257.
- Roads and Improvements \$411,826.

### **Long-term Debt Activity**

As of September 30, 2025, the Town of Brantley had total debt outstanding of \$1,547,725. 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 2026 to be comparative to revenues received in 2025.

### **Budget Highlights for the Fiscal Year Ending September 30, 2026**

**Governmental Activities:** No significant changes are expected in the coming year. Revenues are expected to increase back to prior year levels since the redflex camera system has been repaired. 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, 2025**

|                                                 | Primary Government         |                             |                      |
|-------------------------------------------------|----------------------------|-----------------------------|----------------------|
|                                                 | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>Assets</b>                                   |                            |                             |                      |
| Cash                                            | \$ 866,367                 | \$ 21,974                   | \$ 888,341           |
| Restricted cash and equivalents                 | 180,073                    | 122,023                     | 302,096              |
| Receivables                                     | 11,292                     | 46,884                      | 58,176               |
| Fixed assets (net of accumulated depreciation)  | 4,893,497                  | 5,504,714                   | 10,398,211           |
| <b>Total Assets</b>                             | <b>\$ 5,951,229</b>        | <b>\$ 5,695,595</b>         | <b>\$ 11,646,824</b> |
| <b>Liabilities</b>                              |                            |                             |                      |
| Accounts payable                                | \$ 20,733                  | \$ 10,278                   | \$ 31,011            |
| Other liabilities                               | 16,701                     | 4,235                       | 20,936               |
| Customer deposits                               | -                          | 49,879                      | 49,879               |
| Notes due within one year                       | 36,512                     | 110,458                     | 146,970              |
| Notes due in more than one year                 | 350,755                    | 1,050,000                   | 1,400,755            |
| <b>Total Liabilities</b>                        | <b>\$ 424,701</b>          | <b>\$ 1,224,850</b>         | <b>\$ 1,649,551</b>  |
| <b>Net Position</b>                             |                            |                             |                      |
| Invested in capital assets, net of related debt | \$ 4,506,230               | \$ 4,344,256                | \$ 8,850,486         |
| Restricted                                      |                            |                             |                      |
| Debt service and Improvements                   | 178,108                    | 122,023                     | 300,131              |
| Unrestricted                                    | 842,190                    | 4,466                       | 846,656              |
| <b>Total Net Position</b>                       | <b>\$ 5,526,528</b>        | <b>\$ 4,470,745</b>         | <b>\$ 9,997,273</b>  |

**TOWN OF BRANTLEY, ALABAMA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| Functions/Programs                       | Program Revenues    |                         |                                          |                                   | Net (Expense) Revenue and<br>Change in Net Position |                             |                     |
|------------------------------------------|---------------------|-------------------------|------------------------------------------|-----------------------------------|-----------------------------------------------------|-----------------------------|---------------------|
|                                          | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>& Contributions | Primary Government                                  |                             |                     |
|                                          |                     |                         |                                          |                                   | Governmental<br>Activities                          | Business-Type<br>Activities | Total               |
| <b>Primary Government:</b>               |                     |                         |                                          |                                   |                                                     |                             |                     |
| <b>Governmental Activities:</b>          |                     |                         |                                          |                                   |                                                     |                             |                     |
| General government                       | \$ 750,168          | \$ 28,168               | \$ -                                     | \$ 392,451                        | \$ (329,549)                                        | \$ -                        | \$ (329,549)        |
| Public safety                            | 602,221             | 136,706                 | -                                        | -                                 | (465,515)                                           | -                           | (465,515)           |
| Highways and streets                     | 151,505             | -                       | -                                        | -                                 | (151,505)                                           | -                           | (151,505)           |
| Culture and recreation                   | 15,012              | -                       | 6,870                                    | -                                 | (8,142)                                             | -                           | (8,142)             |
| Interest on long-term debt               | 18,680              | -                       | -                                        | -                                 | (18,680)                                            | -                           | (18,680)            |
| Total Governmental Activities            | 1,537,586           | 164,874                 | 6,870                                    | 392,451                           | (973,391)                                           | -                           | (973,391)           |
| <b>Business-type Activities:</b>         |                     |                         |                                          |                                   |                                                     |                             |                     |
| Water and garbage                        | 590,000             | 364,071                 | -                                        | 761,032                           | -                                                   | 535,103                     | 535,103             |
| Sewer                                    | 82,855              | 105,931                 | -                                        | -                                 | -                                                   | 23,076                      | 23,076              |
| Total Business-type Activities           | 672,855             | 470,002                 | -                                        | 761,032                           | -                                                   | 558,179                     | 558,179             |
| <b>Total Primary Government</b>          | <b>\$ 2,210,441</b> | <b>\$ 634,876</b>       | <b>\$ 6,870</b>                          | <b>\$ 1,153,483</b>               | <b>\$ (973,391)</b>                                 | <b>\$ 558,179</b>           | <b>\$ (415,212)</b> |
| <b>General Revenues:</b>                 |                     |                         |                                          |                                   |                                                     |                             |                     |
| Property taxes                           |                     |                         |                                          |                                   | \$ 27,015                                           | \$ -                        | \$ 27,015           |
| General sales and use tax                |                     |                         |                                          |                                   | 502,796                                             | -                           | 502,796             |
| Franchise, beer, tobacco and lodging tax |                     |                         |                                          |                                   | 165,071                                             | -                           | 165,071             |
| State and local gasoline taxes           |                     |                         |                                          |                                   | 74,479                                              | -                           | 74,479              |
| Fines and corrections                    |                     |                         |                                          |                                   | 420,763                                             | -                           | 420,763             |
| Investment earnings                      |                     |                         |                                          |                                   | 11,726                                              | -                           | 11,726              |
| Other revenues                           |                     |                         |                                          |                                   | 228,802                                             | -                           | 228,802             |
| Total General Revenues                   |                     |                         |                                          |                                   | 1,430,652                                           | -                           | 1,430,652           |
| <b>Transfers:</b>                        |                     |                         |                                          |                                   | (260,239)                                           | 260,239                     | -                   |
| <b>Change in Net Position</b>            |                     |                         |                                          |                                   | 197,022                                             | 818,418                     | 1,015,440           |
| <b>Net Position - Beginning of Year</b>  |                     |                         |                                          |                                   | 5,329,506                                           | 3,652,327                   | 8,981,833           |
| <b>Net Position - Ending of Year</b>     |                     |                         |                                          |                                   | \$ 5,526,528                                        | \$ 4,470,745                | \$ 9,997,273        |

**TOWN OF BRANTLEY, ALABAMA**  
**FUND BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2025**

|                                            | General<br>Fund   | Rescue<br>Squad   | Fire<br>Department | State<br>Gas Tax  | Total               |
|--------------------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|
| <b>Assets</b>                              |                   |                   |                    |                   |                     |
| Cash                                       | \$ 639,731        | \$ 137,564        | \$ 89,072          | \$ 180,073        | \$ 1,046,440        |
| Accounts receivable                        | 11,281            | -                 | 11                 | -                 | 11,292              |
| <b>Total Assets</b>                        | <b>\$ 651,012</b> | <b>\$ 137,564</b> | <b>\$ 89,083</b>   | <b>\$ 180,073</b> | <b>\$ 1,057,732</b> |
| <b>Liabilities</b>                         |                   |                   |                    |                   |                     |
| Accounts payable                           | \$ 18,768         | \$ -              | \$ -               | \$ 1,965          | \$ 20,733           |
| Other liabilities                          | 5,836             | -                 | -                  | -                 | 5,836               |
| <b>Total Liabilities</b>                   | <b>24,604</b>     | <b>-</b>          | <b>-</b>           | <b>1,965</b>      | <b>26,569</b>       |
| <b>Fund Balances</b>                       |                   |                   |                    |                   |                     |
| Unassigned                                 | 626,408           |                   |                    |                   | 626,408             |
| Assigned for Fire and Rescue               | -                 | 137,564           | 89,083             | -                 | 226,647             |
| Restricted for Capital Improvements        | -                 | -                 | -                  | 178,108           | 178,108             |
| <b>Total Fund Balances</b>                 | <b>626,408</b>    | <b>137,564</b>    | <b>89,083</b>      | <b>178,108</b>    | <b>1,031,163</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 651,012</b> | <b>\$ 137,564</b> | <b>\$ 89,083</b>   | <b>\$ 180,073</b> | <b>\$ 1,057,732</b> |

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, 2025**

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**Total Fund Balances - Governmental Fund Types:** \$ 1,031,163

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. 4,893,497

Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (398,132)

**Net Position of Governmental Activities** \$ 5,526,528

**TOWN OF BRANTLEY, ALABAMA**
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

|                                                                                  | General<br>Fund   | Rescue<br>Squad   | Fire<br>Department | State<br>Gas Tax  | Total               |
|----------------------------------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|
| <b>Revenues:</b>                                                                 |                   |                   |                    |                   |                     |
| Taxes                                                                            | \$ 713,845        | \$ -              | \$ -               | \$ -              | \$ 713,845          |
| State gasoline taxes                                                             | -                 | -                 | -                  | 55,516            | 55,516              |
| Charges for services                                                             | 28,168            | 136,706           | -                  | -                 | 164,874             |
| Licenses and permits                                                             | 33,092            | -                 | -                  | -                 | 33,092              |
| Fines and costs                                                                  | 420,763           | -                 | -                  | -                 | 420,763             |
| Interest income                                                                  | 10,560            | 1,166             | -                  | -                 | 11,726              |
| Library state aid                                                                | 6,870             | -                 | -                  | -                 | 6,870               |
| Other revenues                                                                   | 118,246           | -                 | 77,464             | -                 | 195,710             |
| <b>Total Revenues</b>                                                            | <b>1,331,544</b>  | <b>137,872</b>    | <b>77,464</b>      | <b>55,516</b>     | <b>1,602,396</b>    |
| <b>Expenditures:</b>                                                             |                   |                   |                    |                   |                     |
| General government                                                               | 700,962           | -                 | -                  | -                 | 700,962             |
| Public safety                                                                    | 359,602           | 135,250           | 45,786             | -                 | 540,638             |
| Highways and streets                                                             | -                 | -                 | -                  | 23,697            | 23,697              |
| Culture and recreation                                                           | 5,087             | -                 | -                  | -                 | 5,087               |
| Library                                                                          | 9,925             | -                 | -                  | -                 | 9,925               |
| Capital outlay                                                                   | 411,826           | -                 | -                  | -                 | 411,826             |
| Debt service                                                                     | 23,744            | -                 | 29,810             | -                 | 53,554              |
| <b>Total Expenditures</b>                                                        | <b>1,511,146</b>  | <b>135,250</b>    | <b>75,596</b>      | <b>23,697</b>     | <b>1,745,689</b>    |
| Excess of Revenues Over (Under) Expenditures                                     | (179,602)         | 2,622             | 1,868              | 31,819            | (143,293)           |
| <b>Other Financing Sources (Uses):</b>                                           |                   |                   |                    |                   |                     |
| Proceeds from debt                                                               | -                 | -                 | -                  | -                 | -                   |
| Grant revenues                                                                   | 392,451           | -                 | -                  | -                 | 392,451             |
| Operating transfers in                                                           | -                 | -                 | -                  | -                 | -                   |
| Operating transfers out                                                          | (260,239)         | -                 | -                  | -                 | (260,239)           |
| <b>Total Other Financing Sources (Uses)</b>                                      | <b>132,212</b>    | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>132,212</b>      |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Uses | (47,390)          | 2,622             | 1,868              | 31,819            | (11,081)            |
| Fund Balance - Beginning of Year                                                 | 673,798           | 134,942           | 87,215             | 146,289           | 1,042,244           |
| <b>Fund Balance - End of Year</b>                                                | <b>\$ 626,408</b> | <b>\$ 137,564</b> | <b>\$ 89,083</b>   | <b>\$ 178,108</b> | <b>\$ 1,031,163</b> |

SEE AUDITORS' REPORT AND NOTES TO THE BASIC FINANCIAL STATEMENTS

**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, 2025**

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|                                                                |           |                 |
|----------------------------------------------------------------|-----------|-----------------|
| <b>Net Changes in Fund Balances - Total Governmental Funds</b> | <b>\$</b> | <b>(11,081)</b> |
|----------------------------------------------------------------|-----------|-----------------|

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. |  | 173,229 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|

|                                                                                                                                                                                                                                                                                                     |  |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---|
| 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. |  | <u>34,874</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------|

|                                                          |           |                       |
|----------------------------------------------------------|-----------|-----------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$</b> | <b><u>197,022</u></b> |
|----------------------------------------------------------|-----------|-----------------------|

**TOWN OF BRANTLEY, ALABAMA**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2025**

**ASSETS**

|                                 | <u>Water and<br/>Garbage Fund</u> | <u>Sewer Fund</u>  | <u>Totals</u>       |
|---------------------------------|-----------------------------------|--------------------|---------------------|
| <b>Current Assets:</b>          |                                   |                    |                     |
| Cash and equivalents            | \$ 21,974                         | \$ -               | \$ 21,974           |
| Accounts receivable             | 37,243                            | 9,641              | 46,884              |
| <b>Restricted Assets</b>        |                                   |                    |                     |
| Restricted cash and equivalents | 122,023                           |                    | 122,023             |
| <b>Fixed Assets:</b>            |                                   |                    |                     |
| Water and sewer system          | 6,210,651                         | 2,101,542          | 8,312,193           |
| Accumulated depreciation        | <u>(1,681,629)</u>                | <u>(1,125,850)</u> | <u>(2,807,479)</u>  |
| <b>Total Assets</b>             | <u>\$ 4,710,262</u>               | <u>\$ 985,333</u>  | <u>\$ 5,695,595</u> |

**LIABILITIES AND NET POSITION**

|                                                           |                     |                   |                     |
|-----------------------------------------------------------|---------------------|-------------------|---------------------|
| <b>Current Liabilities (payable from current assets):</b> |                     |                   |                     |
| Accounts payable                                          | \$ 10,278           | \$ -              | \$ 10,278           |
| Notes payable                                             | 110,458             | -                 | 110,458             |
| Other liabilities                                         | <u>4,235</u>        | <u>-</u>          | <u>4,235</u>        |
| Total Current Liabilities (payable from current assets)   | 124,971             | -                 | 124,971             |
| <b>Long-term Liabilities:</b>                             |                     |                   |                     |
| Notes Payable                                             | 1,050,000           | -                 | 1,050,000           |
| Customer deposits                                         | <u>49,879</u>       | <u>-</u>          | <u>49,879</u>       |
| Total Long-term Liabilities                               | <u>1,099,879</u>    | <u>-</u>          | <u>1,099,879</u>    |
| <b>Total Liabilities</b>                                  | 1,224,850           | -                 | 1,224,850           |
| <b>Net Position</b>                                       |                     |                   |                     |
| Invested in capital assets, net of related debt           | 3,368,564           | 975,692           | 4,344,256           |
| Unrestricted net position                                 | <u>116,848</u>      | <u>9,641</u>      | <u>126,489</u>      |
| <b>Total Net Position</b>                                 | <u>3,485,412</u>    | <u>985,333</u>    | <u>4,470,745</u>    |
| <b>Total Liabilities and Net Position</b>                 | <u>\$ 4,710,262</u> | <u>\$ 985,333</u> | <u>\$ 5,695,595</u> |

**TOWN OF BRANTLEY, ALABAMA****STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS****FOR THE YEAR ENDED SEPTEMBER 30, 2025**

|                                                      | Water and<br>Garbage Fund | Sewer Fund        | Total               |
|------------------------------------------------------|---------------------------|-------------------|---------------------|
| <b>Operating Revenues:</b>                           |                           |                   |                     |
| Charges for services                                 | \$ 364,071                | \$ 105,931        | \$ 470,002          |
| <b>Total Operating Revenues</b>                      | <b>364,071</b>            | <b>105,931</b>    | <b>470,002</b>      |
| <b>Operating Expenses:</b>                           |                           |                   |                     |
| Personnel services                                   | 265,223                   | -                 | 265,223             |
| Contractual services                                 | 28,511                    | -                 | 28,511              |
| Supplies                                             | 2,469                     | -                 | 2,469               |
| Utilities                                            | 14,590                    | -                 | 14,590              |
| Depreciation                                         | 122,271                   | 43,717            | 165,988             |
| Repair and maintenance                               | 59,634                    | 39,138            | 98,772              |
| Taxes                                                | 5,293                     | -                 | 5,293               |
| Vehicle                                              | 18,150                    | -                 | 18,150              |
| Other Operating Costs                                | 47,047                    | -                 | 47,047              |
| <b>Total Operating Expenses</b>                      | <b>563,188</b>            | <b>82,855</b>     | <b>646,043</b>      |
| <b>Operating Income</b>                              | <b>(199,117)</b>          | <b>23,076</b>     | <b>(176,041)</b>    |
| <b>Nonoperating Revenues (Expenses):</b>             |                           |                   |                     |
| Grant revenues                                       | 760,997                   | -                 | 760,997             |
| Interest                                             | 35                        | -                 | 35                  |
| Interest expense                                     | (26,812)                  | -                 | (26,812)            |
| <b>Total Nonoperating Revenues (Expenses)</b>        | <b>734,220</b>            | <b>-</b>          | <b>734,220</b>      |
| <b>Net Income before Contributions and Transfers</b> | <b>535,103</b>            | <b>23,076</b>     | <b>558,179</b>      |
| Interfund transfers                                  | 325,865                   | (65,626)          | 260,239             |
| <b>Changes in Net Position</b>                       | <b>860,968</b>            | <b>(42,550)</b>   | <b>818,418</b>      |
| <b>Net Position - Beginning of Year</b>              | <b>2,624,444</b>          | <b>1,027,883</b>  | <b>3,652,327</b>    |
| <b>Net Position - End of Year</b>                    | <b>\$ 3,485,412</b>       | <b>\$ 985,333</b> | <b>\$ 4,470,745</b> |

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, 2025**

|                                                                                 | Water and<br>Garbage Fund | Sewer Fund      | Total             |
|---------------------------------------------------------------------------------|---------------------------|-----------------|-------------------|
| <b>Cash Flows from Operating Activities:</b>                                    |                           |                 |                   |
| Receipts from customers                                                         | \$ 367,292                | \$ 104,764      | \$ 472,056        |
| Payments to suppliers                                                           | (164,866)                 | (39,138)        | (204,004)         |
| Payments to employees for wages and benefits                                    | (265,223)                 | -               | (265,223)         |
| <b>Net Cash Provided (Used) by Operating Activities</b>                         | <b>(62,797)</b>           | <b>65,626</b>   | <b>2,829</b>      |
| <b>Cash Flows from Noncapital Financing Activities:</b>                         |                           |                 |                   |
| Amounts transferred (to) from other funds                                       | 325,865                   | (65,626)        | 260,239           |
| <b>Net Cash Provided (Used) by Noncapital<br/>Financing Activities</b>          | <b>325,865</b>            | <b>(65,626)</b> | <b>260,239</b>    |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                |                           |                 |                   |
| Proceeds from grant                                                             | 760,997                   | -               | 760,997           |
| Purchase of fixed assets                                                        | (768,257)                 | -               | (768,257)         |
| Proceeds from debt                                                              | -                         | -               | -                 |
| Principal payments on capital debt                                              | (107,946)                 | -               | (107,946)         |
| Interest paid on capital debt                                                   | (26,812)                  | -               | (26,812)          |
| <b>Net Cash Provided (Used) by Capital<br/>and Related Financing Activities</b> | <b>(142,018)</b>          | <b>-</b>        | <b>(903,015)</b>  |
| <b>Cash Flows from Investing:</b>                                               |                           |                 |                   |
| Interest received                                                               | 35                        | -               | 35                |
| <b>Net Increase (Decrease) in Cash and Equivalents</b>                          | <b>121,085</b>            | <b>-</b>        | <b>121,085</b>    |
| <b>Cash and Equivalents - Beginning of Year</b>                                 | <b>22,912</b>             | <b>-</b>        | <b>22,912</b>     |
| <b>Cash and Equivalents - End of Year</b>                                       | <b>\$ 143,997</b>         | <b>\$ -</b>     | <b>\$ 143,997</b> |

**SUPPLEMENTARY INFORMATION**

**Reconciliation of Operating Income (Loss) to Net  
Cash Provided (Used) by Operating Activities**

|                                                                                                   |                    |                  |                 |
|---------------------------------------------------------------------------------------------------|--------------------|------------------|-----------------|
| Operating income (loss)                                                                           | \$ (199,117)       | \$ 23,076        | \$ (176,041)    |
| Adjustments to reconcile operating income to net<br>cash provided (used) by operating activities: |                    |                  |                 |
| Depreciation expense                                                                              | 122,271            | 43,717           | 165,988         |
| <b>(Increase) decrease in:</b>                                                                    |                    |                  |                 |
| Accounts receivable                                                                               | 3,221              | (1,167)          | 2,054           |
| <b>Increase (decrease) in:</b>                                                                    |                    |                  |                 |
| Accounts payable                                                                                  | 5,713              | -                | 5,713           |
| Customer deposits                                                                                 | 1,330              | -                | 1,330           |
| Other liabilities                                                                                 | 3,785              | -                | 3,785           |
| <b>Net Cash Provided by Operating Activities</b>                                                  | <b>\$ (62,797)</b> | <b>\$ 65,626</b> | <b>\$ 2,829</b> |

SEE AUDITORS' REPORT AND NOTES TO THE BASIC FINANCIAL STATEMENTS

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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 Town'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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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, 2025, the carrying amount of the Town's deposits with financial institutions in all funds was \$1,198,731. 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.)

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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 than 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, 2025, \$0 of the Town's bank balance of \$1,198,731 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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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:

| <u>Asset</u>               | <u>Years</u>  |
|----------------------------|---------------|
| 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**

During the year the Town adopted the provisions of GASB Statement 101 - Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The adoption of this statement had no effect on the liability recorded in prior years.

**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.*

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**(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, 2025, 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, 2025 expenditures over appropriations for major governmental funds were \$47,390..

**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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**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, 2025 was as follows:

| <b>Primary Government</b>                    | <b>Beginning</b> |                  |                   | <b>Ending</b>  |
|----------------------------------------------|------------------|------------------|-------------------|----------------|
| <b>Governmental activities:</b>              | <b>Balance</b>   | <b>Additions</b> | <b>Reductions</b> | <b>Balance</b> |
| Capital Assets Not Being Depreciated:        |                  |                  |                   |                |
| Land                                         | \$ 341,621       | \$ -             | \$ -              | \$ 341,621     |
| Total Capital Assets Not Being Depreciated   | 341,621          | -                | -                 | 341,621        |
| Capital Assets Being Depreciated:            |                  |                  |                   |                |
| Buildings                                    | 1,233,954        | -                | -                 | 1,233,954      |
| Improvements other than buildings            | 4,930,430        | 411,826          | -                 | 5,342,256      |
| Machinery and equipment                      | 2,078,220        | -                | -                 | 2,078,220      |
| Total Capital Assets Being Depreciated       | 8,242,604        | 411,826          | -                 | 8,654,430      |
| Less Accumulated Depreciation for:           |                  |                  |                   |                |
| Buildings                                    | 249,647          | 29,868           | -                 | 279,515        |
| Improvements other than buildings            | 1,903,000        | 142,084          | -                 | 2,045,084      |
| Machinery and equipment                      | 1,711,310        | 66,645           | -                 | 1,777,955      |
| Total Accumulated depreciation               | 3,863,957        | 238,597          | -                 | 4,102,554      |
| Total Capital Assets Being Depreciated, net  | 4,378,647        | 173,229          | -                 | 4,551,876      |
| Governmental Activities Capital Assets, net  | \$ 4,720,268     | \$ 173,229       | \$ -              | \$ 4,893,497   |
| <b>Business-type activities:</b>             |                  |                  |                   |                |
| Capital Assets Being Depreciated:            |                  |                  |                   |                |
| Water distribution system                    | \$ 5,442,394     | \$ 768,257       | \$ -              | \$ 6,210,651   |
| Sewer distribution system                    | 2,101,542        | -                | -                 | 2,101,542      |
| Total Capital Assets Being Depreciated       | 7,543,936        | 768,257          | -                 | 8,312,193      |
| Less Accumulated Depreciation for:           |                  |                  |                   |                |
| Water distribution system                    | 1,559,357        | 122,271          | -                 | 1,681,628      |
| Sewer distribution system                    | 1,082,134        | 43,717           | -                 | 1,125,851      |
| Total Accumulated depreciation               | 2,641,491        | 165,988          | -                 | 2,807,479      |
| Total Capital Assets Being Depreciated, net  | 4,902,445        | 602,269          | -                 | 5,504,714      |
| Business-type Activities Capital Assets, net | \$ 4,902,445     | \$ 602,269       | \$ -              | \$ 5,504,714   |

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE 3 - Capital Assets, Continued:**

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

**Governmental Activities:**

|                                                      |                   |
|------------------------------------------------------|-------------------|
| General government                                   | \$ 49,206         |
| Public safety                                        | 61,583            |
| Highways and public improvements                     | 127,808           |
| Total Depreciation Expense - Governmental Activities | <u>\$ 238,597</u> |

**Business-Type Activities:**

|                                                       |                   |
|-------------------------------------------------------|-------------------|
| Utility systems and equipment                         | \$ 165,988        |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 165,988</u> |

|                            |                   |
|----------------------------|-------------------|
| Total Depreciation Expense | <u>\$ 404,585</u> |
|----------------------------|-------------------|

**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.

|                                      |                     |                      |
|--------------------------------------|---------------------|----------------------|
| <u><b>Governmental Funds:</b></u>    | <u>Transfers In</u> | <u>Transfers Out</u> |
| General Fund                         | \$ -                | \$ 260,239           |
| Rescue Squad                         | -                   | -                    |
| Fire Department                      | -                   | -                    |
| State Gas Tax                        | -                   | -                    |
| <br><u><b>Proprietary Funds:</b></u> |                     |                      |
| Water and Garbage                    | 325,865             | -                    |
| Sewer                                | -                   | 65,626               |
|                                      | <u>\$ 325,865</u>   | <u>\$ 325,865</u>    |

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 5 - Long-Term Debt**

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

|                                  | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance | Due Within<br>One Year |
|----------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| <b>Governmental Activities:</b>  |                      |           |            |                   |                        |
| Notes Payable:                   |                      |           |            |                   |                        |
| General obligation notes payable | \$ 421,850           | \$ -      | \$ 34,583  | \$ 387,267        | \$ 36,512              |
| Total Notes Payable              | 421,850              | -         | 34,583     | 387,267           | 36,512                 |
| Other liabilities:               |                      |           |            |                   |                        |
| Compensated absences             | -                    | -         | -          | -                 | -                      |
| Long-term Liabilities            | \$ 421,850           | \$ -      | \$ 34,583  | \$ 387,267        | \$ 36,512              |
|                                  |                      |           |            |                   |                        |
|                                  | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance | Due Within<br>One Year |
| <b>Business-type Activities:</b> |                      |           |            |                   |                        |
| Notes Payable:                   |                      |           |            |                   |                        |
| Proprietary notes payable        | \$ 1,268,404         | \$ -      | \$ 107,946 | \$ 1,160,458      | \$ 110,458             |
| Total Notes Payable              | 1,268,404            | -         | 107,946    | 1,160,458         | 110,458                |
| Long-term Liabilities            | \$ 1,268,404         | \$ -      | \$ 107,946 | \$ 1,160,458      | \$ 110,458             |

The annual requirements to amortize all general long-term debt outstanding as of September 30, 2025, including interest payments of \$197,674 are as follows:

| For the Year Ending<br>September 30, | General Obligations |            |                   |
|--------------------------------------|---------------------|------------|-------------------|
|                                      | Principal           | Interest   | Total<br>Payments |
| 2026                                 | 36,512              | 17,040     | 53,552            |
| 2027                                 | 38,549              | 15,003     | 53,552            |
| 2028                                 | 10,083              | 13,659     | 23,742            |
| 2029                                 | 10,524              | 13,218     | 23,742            |
| 2030                                 | 10,984              | 12,757     | 23,741            |
| 2031-2035                            | 62,565              | 56,144     | 118,709           |
| 2036-2040                            | 77,503              | 41,207     | 118,710           |
| 2041-2045                            | 96,006              | 22,703     | 118,709           |
| 2046-2050                            | 44,541              | 2,943      | 47,484            |
|                                      |                     |            | -                 |
|                                      | \$ 387,267          | \$ 194,674 | \$ 581,941        |

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE 5 - Long-Term Debt. Continued**

Notes payable at September 30, 2025, are comprised of the following individual issues:

***Governmental Activities:***

|                                                                                                                                                            |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| United States Department of Agriculture Loan; due in annual payments of \$23,744 including interest at a rate of 4.375 %                                   | \$ 331,121               |
| Brantley Bank & Trust Co; \$129,017 loan for Fire Truck; due in 60 monthly payments of \$2,484 thru September 2027 including an interest at a rate of 5.8% | <u>56,146</u>            |
| Total Governmental Activities                                                                                                                              | <u><u>\$ 387,267</u></u> |

**Business-type Activities**

Notes payable:

|                                                                                                                              |                            |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| United States Department of Agriculture Bonds; due in annual installments including interest at a rate of 1.50 %             | \$ 1,013,000               |
| Alabama Drinking Water Finance Authority, 2.75% interest, due in semi-annual installments thru 2032.                         | 60,000                     |
| Brantley Bank & Trust Co; Line of Credit for Water and Sewer Improvements; due in 2024 including interest at a rate of 3.55% | <u>87,458</u>              |
| Total Business-type Activities                                                                                               | <u><u>\$ 1,160,458</u></u> |

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE 5 - Long-Term Debt. Continued**

The annual requirements to amortize all business type long-term debt outstanding as of September 30, 2025, including interest payments of \$342,602 are as follows:

| For the Year Ending<br>September 30, | Debt Obligations    |                   | Total               |
|--------------------------------------|---------------------|-------------------|---------------------|
|                                      | Principal           | Interest          | Payments            |
| 2026                                 | 111,458             | 16,950            | 128,408             |
| 2027                                 | 24,000              | 16,525            | 40,525              |
| 2028                                 | 29,000              | 16,102            | 45,102              |
| 2029                                 | 30,000              | 15,539            | 45,539              |
| 2030                                 | 30,000              | 14,962            | 44,962              |
| 2031-2035                            | 125,000             | 66,888            | 191,888             |
| 2036-2040                            | 113,000             | 57,877            | 170,877             |
| 2041-2045                            | 124,000             | 49,041            | 173,041             |
| 2046-2050                            | 134,000             | 39,375            | 173,375             |
| 2051-2055                            | 148,000             | 28,863            | 176,863             |
| 2056-2060                            | 175,000             | 16,916            | 191,916             |
| 2061-2065                            | 117,000             | 3,564             | 120,564             |
|                                      | <u>\$ 1,160,458</u> | <u>\$ 342,602</u> | <u>\$ 1,503,060</u> |

**NOTE 6 - Customers' Deposits - Proprietary Fund**

No restricted bank account is maintained to hold customers' deposits. The deposits at September 30, 2025, which total \$49,879, 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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**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 - Restricted Assets and Reserve Accounts**

The Town is required to fund certain debt service accounts for each bond issue. The accounts are over (under) funded as of September 30, 2025, as shown below.

|                            | Required<br>9/30/2025 | Actual<br>9/30/2025 | Over<br>(Under) |
|----------------------------|-----------------------|---------------------|-----------------|
| 2003 Water and Sewer Bonds |                       |                     |                 |
| Bond Fund                  | \$ 25,725             | \$ 66,260           | \$ 40,535       |
| Debt Service Reserve       | \$ 8,480              | \$ 11,440           | \$ 2,960        |
| Small Asset Fund           | \$ 40,334             | \$ 44,323           | \$ 3,989        |

**NOTE 12 - Compensated Absences**

The Authority has a standard leave policy for its full-time employees as to sick and annual leave. Employees with one to five years of service earn 40 hours of annual leave each year; employees with six to ten years earn 80 hours each year; employees with ten years or more earn 120 hours each year. Up to 40 hours of annual leave may be accrued and carried forward to the next calendar year to be used at the discretion of the employee or paid. Sick leave benefits with pay are provided for permanent full-time employees in the amount of 2 hours per week. Upon retirement or termination sick leave unused sick leave is forfeited.

|                            | Beg of Year | Additions | Reductions | End of Year | Current  |
|----------------------------|-------------|-----------|------------|-------------|----------|
| General Fund               | \$ -        | \$ 3,360  | \$ 630     | \$ 2,730    | \$ 2,730 |
| Enterprise Fund            | -           | 3,549     | 1,490      | 2,059       | 2,060    |
| Total Compensated absences | \$ -        | \$ 6,909  | \$ 2,120   | \$ 4,789    | \$ 4,790 |

**NOTE 13 - 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.

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE 16 - Tax Abatements**

Historically the Town has entered into property tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992 (Chapter 9B, Title 40, Code of Alabama 1975). Under the Act, localities may grant no educational sales and use tax abatements, no educational real and personal property tax abatements, and mortgage and recording tax abatements for the purpose of attracting and retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Brantley.

For the fiscal year ended September 30, 2025, prior tax abatement agreements resulted in property tax abatements and exemptions totaling approximately \$83,909 under this program. The abatement programs are all related to industrial incentive building programs that provide abatements for up to 4 years from the date of the agreement.

**TOWN OF BRANTLEY, ALABAMA**  
**BUDGET TO ACTUAL COMPARISON STATEMENT**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

|                                                                                                    | 2025               |                   |                   |                    |
|----------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|--------------------|
|                                                                                                    | Original<br>Budget | Final<br>Budget   | Actual            | Variance           |
| <b>Revenues:</b>                                                                                   |                    |                   |                   |                    |
| Taxes                                                                                              | \$ 484,410         | \$ 484,410        | \$ 713,845        | \$ 229,435         |
| Licenses and permits                                                                               | 27,775             | 27,775            | 33,092            | 5,317              |
| Charges for services                                                                               | 600                | 600               | 28,168            | 27,568             |
| Library state aid                                                                                  | 5,700              | 5,700             | 6,870             | 1,170              |
| Fines and forfeits                                                                                 | 300,000            | 300,000           | 420,763           | 120,763            |
| Interest                                                                                           | 200                | 200               | 10,560            | 10,360             |
| Other                                                                                              | 11,800             | 11,800            | 118,246           | 106,446            |
| <b>Total Revenues</b>                                                                              | <u>830,485</u>     | <u>830,485</u>    | <u>1,331,544</u>  | <u>501,059</u>     |
| <b>Expenditures:</b>                                                                               |                    |                   |                   |                    |
| General government                                                                                 | 347,721            | 347,721           | 700,962           | (353,241)          |
| Public safety                                                                                      | 408,364            | 408,364           | 359,602           | 48,762             |
| Highways and streets                                                                               | -                  | -                 | -                 | -                  |
| Culture and recreation                                                                             | 23,700             | 23,700            | 5,087             | 18,613             |
| Library expenditures                                                                               | 10,700             | 10,700            | 9,925             | 775                |
| Capital outlay                                                                                     | -                  | -                 | 411,826           | (411,826)          |
| Debt service                                                                                       | 40,000             | 40,000            | 23,744            | 16,256             |
| <b>Total Expenditures</b>                                                                          | <u>830,485</u>     | <u>830,485</u>    | <u>1,511,146</u>  | <u>(680,661)</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures                                               | -                  | -                 | (179,602)         | (179,602)          |
| <b>Other Financing Sources (Uses):</b>                                                             |                    |                   |                   |                    |
| Debt proceeds                                                                                      | -                  | -                 | -                 | -                  |
| Grant revenue                                                                                      | -                  | -                 | 392,451           | 392,451            |
| Operating transfers in                                                                             | -                  | -                 | -                 | -                  |
| Operating transfers out                                                                            | -                  | -                 | (260,239)         | (260,239)          |
| <b>Total Other Financing Sources (Uses)</b>                                                        | <u>-</u>           | <u>-</u>          | <u>132,212</u>    | <u>132,212</u>     |
| Excess (Deficiency) of Revenues<br>and Other Financing Sources<br>Over Expenditures and Other Uses | -                  | -                 | (47,390)          | (47,390)           |
| Fund Balance - Beginning of Year                                                                   | <u>673,798</u>     | <u>673,798</u>    | <u>673,798</u>    | <u>-</u>           |
| <b>Fund Balance - End of Year</b>                                                                  | <u>\$ 673,798</u>  | <u>\$ 673,798</u> | <u>\$ 626,408</u> | <u>\$ (47,390)</u> |

SEE AUDITORS' REPORT AND NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF BRANTLEY, ALABAMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2025**

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**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.

**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, each major fund, and the aggregate remaining fund information of the Town of Brantley, Alabama, as of, and for the year ended September 30, 2025, 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 January 1, 2026.

**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.



January 1, 2026  
Troy, Alabama