TOWN OF BROOKS, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.
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TOWN OF BROOKS, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of Town Council
Town of Brooks, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Brooks, Georgia (the Town) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Brooks, Georgia, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 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 a report dated April 12, 2022 on our consideration of Town of Brooks, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Brooks, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
April 12, 2022

TOWN OF BROOKS
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Brooks, we offer readers of the Town of Brooks's financial statements this narrative overview and analysis of the financial activities of the Town of Brooks for the fiscal year ended 2021. We encourage readers to consider the information presented here in conjunction with their review of the financial statements.

Financial Highlights

- The assets of the Town of Brooks exceeded its liabilities at June 30, 2021 by $2,249,258. Of this amount unrestricted net position of $546,706 may be used to meet the government's ongoing obligations to citizens and creditors.

- For the year, net position increased by a total of $110,588. Governmental activities increased the net position for the year by $100,350 while business-type activities increased the net position by $10,238. The most significant factor that led to the increase in business-type activities net position was the transfer to the Stormwater Reserve Fund by the General Fund in the amount of $12,000 for the year.

- For the fiscal year ended June 30, 2021, the Town of Brooks' governmental funds reported combined ending fund balances of $463,430, an increase of $100,534 in comparison with the prior year. Of this amount $339,698 is unassigned and available for spending and $30,068 is restricted for road improvements and $93,664 is restricted for capital project voted on by Citizens under the SPLOST referendum. Total governmental fund balances went from a beginning balance of $362,896 as of July 1, 2020 to $463,430 as of June 30, 2021. The factors that contributed to the increase for fiscal year ended June 30, 2021 were the costs of hiring a full-time city manager with benefits, set up an agreement for a part-time finance officer and entering into a contract with a company for information system services and the SPLOST Fund spending only $46,211 of the $153,614 it brought in from SPLOST proceeds.

- As of June 30, 2021, unassigned fund balance for the general fund was $339,698 or 96.9 percent of total General Fund expenditures.

- The Town of Brooks had no long-term debt obligations or transactions during the year ended June 30, 2021.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Brooks' basic financial statements. The Town of Brooks' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Brooks' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Brooks include general government, highways and streets, cemetery, parks and recreation, library, and planning and zoning. The business-type activities of the Town are Water, Sewer, Solid Waste and Stormwater Management.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Brooks can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The Town maintains two major governmental funds. The Town's major governmental funds are the General Fund and the SPLOST Capital Project.. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds.

The Town of Brooks adopts an annual budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with each fiscal year budget. A project-length budget is presented for the SPLOST Capital Projects Fund.

Proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water, Sewer, Solid Waste Management and Stormwater activities. All of the Town's enterprise funds are considered by the Town to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the Town's major funds.

Notes to the 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.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2021, the Town's assets exceeded liabilities by $2,249,258. The Town's net position reflects its investment in capital assets of $1,578,820 (70.2 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position, $546,706 (24.3 percent) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. $123,732 (5.5 percent) of the net position is restricted for road improvement and other capital projects. A summary of the Town's net position for a two year period is presented on page 5.

Town of Brooks's Net Position
June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 472,099	$ 401,917	$ 216,029	$ 199,490	$ 688,128	$ 601,407
Capital assets	1,530,544	1,530,728	48,276	49,745	1,578,820	1,580,473
Total assets	2,002,643	1,932,645	264,305	249,235	2,266,948	2,181,880
Current liabilities	8,669	39,021	9,021	4,189	17,690	43,210
Long-term liabilities	-	-	-	-	-	-
Total liabilities	8,669	39,021	9,021	4,189	17,690	43,210
Net position -						
Invested in capital assets	1,530,544	1,530,728	48,276	49,745	1,578,820	1,580,473
Restricted	123,732	16,092	-	-	123,732	16,092
Unrestricted	339,698	346,804	207,008	195,301	546,706	542,105
Total net position	$ 1,993,974	$ 1,893,624	$ 255,284	$ 245,046	$ 2,249,258	$ 2,138,670

Governmental activities. For the year ended June 30, 2021 governmental activities increased the Town of Brooks' net position by $100,350. Key elements of this increase are as follows:

- Significant changes to revenues include 1) increase in property taxes due to the manner in which motor vehicle taxes are assessed and 2) an increase in SPLOST and LOST of approximately $40,000, which is due in part to an increase in economic activity.

- Expenses for the year increased from $357,114 in f/y 2020 to $397,021 in f/y 2021. The increase was due to the an increase in engineering expense in the public works department for several infrastructure projects and an increase in depreciation expense for several major road projects completed during 2020 and 2021.

-

Business-type activities. Business-type activities increased the Town's net position for the year by $10,238. Key elements of this decrease are as follows:

- For the fiscal year ended June 30, 2021 the Water Fund had a positive change in net position of $2,249 while the Solid Waste Fund had a positive change of $2,261 and the Stormwater Fund had a positive change of $5,728. In July 2010 the Town entered into a contract with Fayette County for Fayette County to assume operational responsibilities for the Town's water system. Although the County will manage the Town of Brooks Water System, ownership of the system remains with the Town. Therefore, the only revenues recognized by the Town in the Water Fund consisted of charges from the Town's septic tank system, which provides sewer services to fewer than 13 customers. The Town continues to transfer $12,000 from the General Fund to the Stormwater Fund to build up reserves for future stormwater projects.

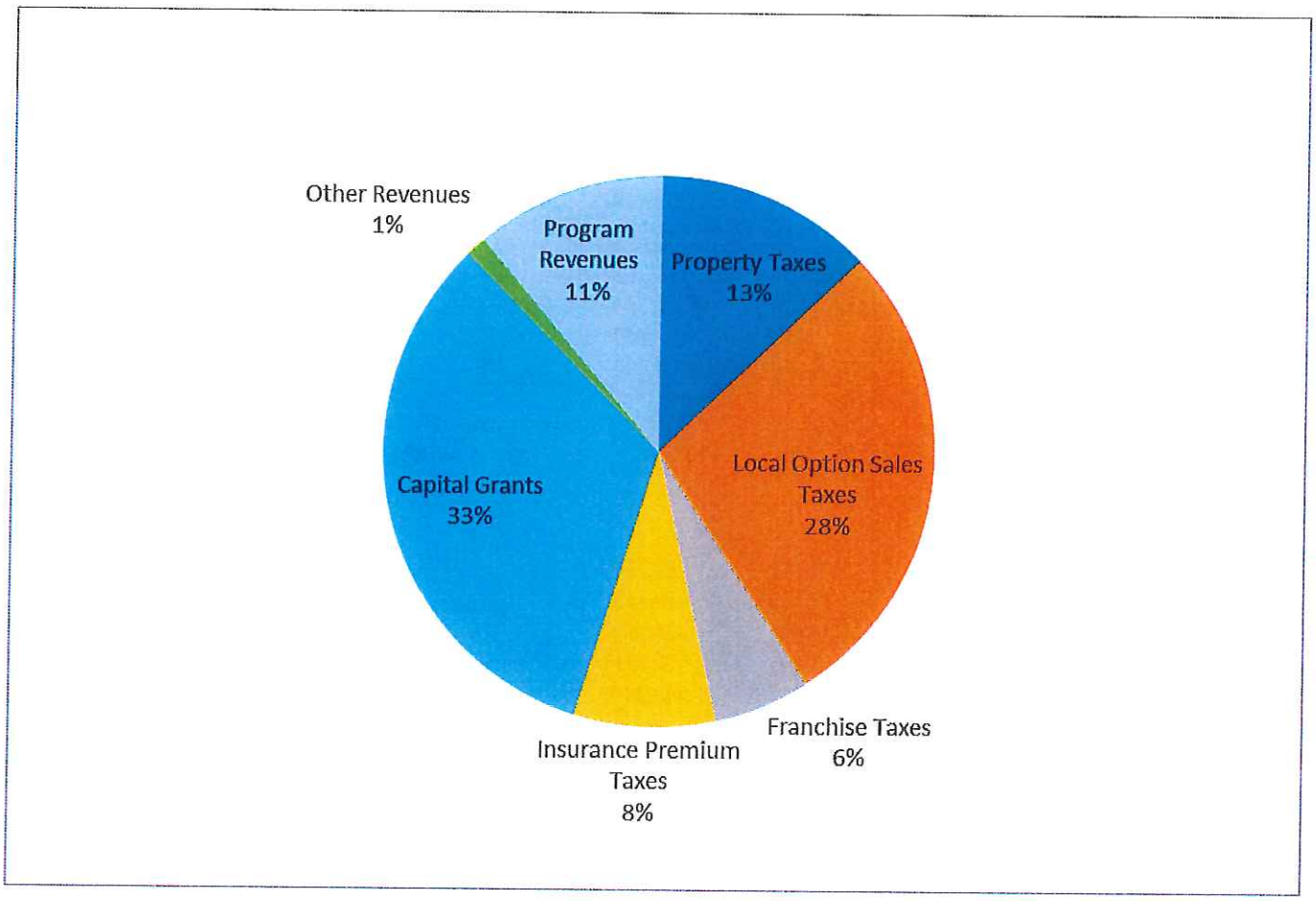
A summary of the Town's change in net position for the two-year period is provided on page 7.

A pie chart showing the percentage of revenues for each governmental revenue source is provided on page 8.

Town of Brooks - Statement of Activities
For The Fiscal Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues -						
Charges for services	$ 56,920	$ 39,522	$ 24,933	$ 25,285	$ 81,853	$ 64,807
Operating grants and contributions	-	631	-	-	-	631
Capital grants and contributions	167,646	147,475	-	-	167,646	147,475
General Revenues -						
Property taxes	64,906	50,428	-	-	64,906	50,428
Sales taxes	142,930	120,312	-	-	142,930	120,312
Other taxes	72,018	70,544	-	-	72,018	70,544
Interest	375	540	233	234	608	774
Other	4,576	1,647	-	-	4,576	1,647
Total Revenues	509,371	431,099	25,166	25,519	534,537	456,618
Expenses:						
General government	229,349	210,336	-	-	229,349	210,336
Public works	77,818	58,133	-	-	77,818	58,133
Cemetery	29,409	26,273	-	-	29,409	26,273
Parks and recreation	12,695	17,631	-	-	12,695	17,631
Library	47,750	44,741	-	-	47,750	44,741
Stormwater	-	-	6,299	5,562	6,299	5,562
Water	-	-	873	848	873	848
Sanitation	-	-	19,756	19,970	19,756	19,970
Total Expenses	397,021	357,114	26,928	26,380	423,949	383,494
Increase (decrease) in net position before transfers and special items	112,350	73,985	(1,762)	(861)	110,588	73,124
Transfers	(12,000)	(12,000)	12,000	12,000	-	-
Increase (decrease) in net position	100,350	61,985	10,238	11,139	110,588	73,124
Net position - beginning of year	1,893,624	1,831,639	245,046	233,907	2,138,670	2,065,546
Net position - end of year	$ 1,993,974	$ 1,893,624	$ 255,284	$ 245,046	$ 2,249,258	$ 2,138,670

TOWN OF BROOKS, GEORGIA
GOVERNMENTAL REVENUES PIE CHART
FOR THE YEAR ENDED JUNE 30, 2021



Financial Analysis of the Government's Funds

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

Governmental Funds. The purpose of the Town's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2021 the Town's governmental funds reported combined ending fund balances of $463,430, an increase of $100,534 in comparison to the prior year. Of this amount, $339,698 (73.3 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted for road improvement and other capital projects in the amount of $123,732.

The General Fund is the Town's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $339,698. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 96.9 percent of the total general fund expenditures.

The General Fund's fund balance for the year went from a fund balance as of July 1, 2020 in the amount of $376,691 to $369,766 as of June 30, 2021. The net decrease of $6,925 was due to the cost of hiring a full-time city manager and an information systems management company and an increase in public work expenditures related to engineering cost for several infrastructure projects..

The SPLOST Fund reports transactions associated with the 2017 Special Purpose Local Option Sales Tax Referendum approved by the voters of Fayette County. For the fiscal year ended June 30, 2021, the Town expended $46,211 on additional downtown sidewalk and parking facilities.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds, as of June 30, 2021, amounted to $207,008, of which the Water Fund had $103,954, the Solid Waste Management Fund had $44,878 and the Stormwater Reserve Fund had $58,176. The Stormwater Fund did expend $5,618 for drainage improvements related to the downtown sidewalk project.

General Fund Budgetary Highlights

During fiscal year ended June 30, 2021, the actual expenditures of $350,624 exceeded the final approved budget amount of $330,640. The main reason for the actual expenditures being over the budget was the public works department expenditures being significantly in excess of its appropriations for the reasons discussed above.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities at June 30, 2021 amounts to $1,578,820 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges, and roads.

Major capital asset events during the year included the following:

- $8,717 for the purchase of an Exmark 52" mower
- $46,211 for the completion of the Main St. parking and sidewalk project

Additional information on the Town's capital assets can be found in note 8 to the financial statements.

Long-term debt. At June 30, 2021, the Town had $ -0- in outstanding debt. During the f/y/e 6/30/2021 the Town had no long-term debt transactions.

Status of the Town of Brooks's Economy

- The unemployment rate in the Town of Brooks is in line with the State and Nation.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate of the Town's downtown areas has remained virtually unchanged.
- Sales tax receipts continue to be strong as compared to prior years
- In March 2017, the citizens of Fayette County passed a referendum to approve a new SPLOST program. Revenues recognized for the fiscal year ended June 30, 2021 amounted to $153,614 which is approximately $20,000 over the amount received in f/y 2020.

Requests for Information

This financial report is designed to provide a general overview of the Town of Brooks' finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the Town at (770) 719-7666 or at the following address:

Town of Brooks
Finance Department
P.O. Box 96
Brooks, GA 30205

TOWN OF BROOKS, GEORGIA
STATEMENTS OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 184,969	$ 186,811	$ 371,780
Investments	73,875	30,285	104,160
Receivables, net			
Taxes	16,065	-	16,065
Accounts	-	3,928	3,928
Intergovernmental	27,112	-	27,112
Due from other funds	4,995	(4,995)	-
Restricted assets -			
Cash	165,083		165,083
Capital assets -			
Non-depreciable capital assets	209,985	-	209,985
Other capital assets, net of depreciation	1,320,559	48,276	1,368,835
Total Assets	2,002,643	264,305	2,266,948
LIABILITIES			
Accounts payable	2,715	1,695	4,410
Customer overpayments	-	1,755	1,755
Other accrued items	3,937	-	3,937
Unearned revenues	2,017	5,571	7,588
Total Liabilities	8,669	9,021	17,690
NET POSITION			
Investment in capital assets	1,530,544	48,276	1,578,820
Restricted for:			
Capital projects	93,664	-	93,664
Road improvements	30,068	-	30,068
Unrestricted	339,698	207,008	546,706
Total Net Position	$ 1,993,974	$ 255,284	$ 2,249,258

See accompanying notes to the basic financial statements.

TOWN OF BROOKS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	$ 229,349	$ 40,325	$ -	$ -
Public Works	77,818	-	-	167,646
Cemetery	29,409	16,500	-	-
Parks and Recreation	12,695	-	-	-
Library	47,750	95	-	-
Interest on long-term debt	-	-	-	-
Total Governmental Activities	397,021	56,920	-	167,646
Business-Type Activities:				
Solid Waste Management	19,756	21,994	-	-
Water	873	2,939	-	-
Stormwater Reserve	6,299	-	-	-
Total Business Type Activities	26,928	24,933	-	-
Total Primary Government	423,949	81,853	-	167,646

General Revenues:
Taxes:
Property taxes
Motor vehicle
Local option sales taxes
Franchise taxes
Insurance premium taxes
Other taxes
Investment earnings
Miscellaneous
Total General Revenues
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - beginning

Net Position - ending

See accompanying notes to the basic financial statements.

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$ (189,024)	$ -	$ (189,024)
89,828	-	89,828
(12,909)	-	(12,909)
(12,695)	-	(12,695)
(47,655)	-	(47,655)
-	-	-
(172,455)	-	(172,455)
-	2,238	2,238
-	2,066	2,066
-	(6,299)	(6,299)
-	(1,995)	(1,995)
(172,455)	(1,995)	(174,450)
21,706	-	21,706
43,200	-	43,200
142,930	-	142,930
28,954	-	28,954
42,083	-	42,083
981	-	981
375	233	608
4,576		4,576
284,805	233	285,038
(12,000)	12,000	-
272,805	12,233	285,038
100,350	10,238	110,588
1,893,624	245,046	2,138,670
$ 1,993,974	$ 255,284	$ 2,249,258

TOWN OF BROOKS, GEORGIA
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2021

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPLOST	
ASSETS			
Cash and cash equivalents	$ 184,969	$ 165,083	$ 350,052
Investments	73,875	-	73,875
Receivables -			
Taxes	16,065	-	16,065
Intergovernmental	-	27,112	27,112
Other	-	-	-
Due from other funds	103,881	-	103,881
Total Assets	$ 378,790	$ 192,195	$ 570,985
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 2,715	$ -	$ 2,715
Due to other funds	355	98,531	98,886
Accrued expenses	3,937	-	3,937
Unearned revenues	2,017	-	2,017
Total Liabilities	9,024	98,531	107,555
Fund Balances:			
Restricted for -			
Capital projects	-	93,664	93,664
Road improvements	30,068	-	30,068
Assigned for -			
Cemetery activities	-	-	-
Appropriation for next year's budget	-	-	-
Unassigned	339,698	-	339,698
Total Fund Balances	369,766	93,664	463,430
Total Liabilities and Fund Balances	$ 378,790	$ 192,195	$ 570,985

See accompanying notes to the basic financial statements.

TOWN OF BROOKS, GEORGIA
RECONCILIATION OF THE BALANCE SHEETS OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF NET POSITION
JUNE 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances -- total governmental funds	$ 463,430
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,530,544
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	-
Net position of governmental activities.	$ 1,993,974

See accompanying notes to the basic financial statements.

TOWN OF BROOKS, GEORGIA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPLOST	
REVENUES:			
Taxes	$ 279,856	$ -	$ 279,856
Business licenses and permits	5,425	-	5,425
Intergovernmental	13,976	153,614	167,590
Charges for services	5,662	-	5,662
Investment income	375	56	431
Rental income	29,369	-	29,369
Cemetery lot sales	16,500	-	16,500
Miscellaneous	4,536	-	4,536
Total Revenues	355,699	153,670	509,369
EXPENDITURES:			
Current -			
General government	204,096	-	204,096
Public works	68,166	-	68,166
Cemetery	27,019	-	27,019
Library	39,343	-	39,343
Parks and recreation	12,000	-	12,000
Capital Outlay -	-	46,211	46,211
Debt Service-			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	350,624	46,211	396,835
Excess of Revenues Over (Under) Expenditures	5,075	107,459	112,534
Other Financing Sources (Uses) - Transfers in (out)	(12,000)	-	(12,000)
Change in Fund Balance	(6,925)	107,459	100,534
Fund Balance - Beginning of Year	376,691	(13,795)	362,896
Fund Balance - End of year	$ 369,766	$ 93,664	$ 463,430

See accompanying notes to the basic financial statements.

TOWN OF BROOKS, GEORGIA
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances -- total governmental funds	$ 100,534
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.	
Capital outlay	62,347
Depreciation expense	(62,531)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations).	-
Proceeds from long-term debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from debt issues	-
Repayment of principal	-
Change in net position of governmental activities.	$ 100,350

See accompanying notes to the basic financial statements.

TOWN OF BROOKS, GEORGIA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	$ 213,100	$ 213,100	$ 279,856	$ 66,756
Business licenses and permits	4,000	4,000	5,425	1,425
Intergovernmental	17,000	17,000	13,976	(3,024)
Charges for services	1,300	1,300	5,662	4,362
Investment income	500	500	375	(125)
Rental income	23,000	23,000	29,369	6,369
Cemetery lot sales	9,000	9,000	16,500	7,500
Miscellaneous	2,500	2,500	4,536	2,036
Total Revenues	270,400	270,400	355,699	85,299
EXPENDITURES:				
Current -				
General Government	164,400	201,801	204,096	(2,295)
Public Works	35,000	54,323	68,166	(13,843)
Cemetery	15,000	24,974	27,019	(2,045)
Library	32,000	37,542	39,343	(1,801)
Parks and Recreation	12,000	12,000	12,000	-
Capital Outlay	-	-	-	-
Debt Service-				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	258,400	330,640	350,624	(19,984)
Excess of Revenues Over (Under) Expenditures	12,000	(60,240)	5,075	65,315
Other Financing Sources (Uses) - Transfers In (Out)	(12,000)	(12,000)	(12,000)	-
Change in Fund Balance	-	(72,240)	(6,925)	65,315
Fund Balance - Beginning of Year	376,691	376,691	376,691	-
Fund Balance - End of year	$ 376,691	$ 304,451	$ 369,766	$ 65,315

See accompanying notes to the basic financial statements.

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TOWN OF BROOKS, GEORGIA
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	SANITATION	WATER	STORMWATER	TOTAL
ASSETS				
Current assets				
Cash	$ 49,945	$ 73,072	$ 63,794	$ 186,811
Investments	-	30,285	-	30,285
Receivables-				
Accounts (net)	3,599	329	-	3,928
Due from other funds	355	268	-	623
Total current assets	53,899	103,954	63,794	221,647
Noncurrent Assets				
Capital assets -				
System improvements	-	162,502	27,237	189,739
Accumulated depreciation	-	(140,442)	(1,021)	(141,463)
Total capital assets (net of depreciation)	-	22,060	26,216	48,276
Total assets	53,899	126,014	90,010	269,923
LIABILITIES				
Current liabilities				
Accounts payable	1,695	-	-	1,695
Unearned income	5,571	-	-	5,571
Customer overpayments	1,755	-	-	1,755
Due to other funds	-	-	5,618	5,618
Total current liabilities	9,021	-	5,618	14,639
Long-term Liabilities	-	-	-	-
Total liabilities	9,021	-	5,618	14,639
Net Position				
Investment in capital assets	-	22,060	26,216	48,276
Unrestricted	44,878	103,954	58,176	207,008
Total Net Position	$ 44,878	$ 126,014	$ 84,392	$ 255,284

See accompanying notes to the basic financial statement.

TOWN OF BROOKS, GEORGIA
PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	SANITATION	WATER	STORMWATER	TOTAL
OPERATING REVENUES				
Charges for services	$ 21,994	$ 2,939	$ -	$ 24,933
Miscellaneous	-	-	-	-
Total operating revenues	21,994	2,939	-	24,933
OPERATING EXPENSES				
Contracted services/supplies	19,646	-	-	19,646
Salaries and benefits	-	-	-	-
Utilities	-	-	-	-
Repairs and maintenance	-	-	5,618	5,618
Depreciation	-	788	681	1,469
Other	110	85	-	195
Total operating expenses	19,756	873	6,299	26,928
Operating income (loss)	2,238	2,066	(6,299)	(1,995)
Non-operating Income				
Interest	23	183	27	233
Net income (loss) before transfers	2,261	2,249	(6,272)	(1,762)
Transfers in (out)	-	-	12,000	12,000
Change in net position	2,261	2,249	5,728	10,238
NET POSITION - Beginning	42,617	123,765	78,664	245,046
NET POSITION - ENDING	$ 44,878	$ 126,014	$ 84,392	$ 255,284

See accompanying notes to the basic financial statement.

TOWN OF BROOKS, GEORGIA
PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	SANITATION	WATER	STORMWATER	TOTAL
Cash flows from operating activities:				
Cash received from customers and users	$ 23,292	$ 2,819	$ -	$ 26,111
Cash paid to suppliers for goods	(19,703)	(85)	(5,618)	(25,406)
Cash paid to employees	-	-	-	-
Net cash provided from operating activities	3,589	2,734	(5,618)	705
Cash flows from investing activities:				
Interest received	23	183	27	233
Purchase of investments	-	(147)	-	(147)
Net cash from investing activities	23	36	27	86
Cash flows from non-capital financing activities:				
Transfers in (out)	-	-	12,000	12,000
Increase in due to other funds	(2,864)	-	5,618	2,754
Net cash flows from non-capital financing activities	(2,864)	-	17,618	14,754
Cash flows from capital financing activities:				
Purchase / construction of capital assets	-	-	-	-
Net cash flows from capital financing activities	-	-	-	-
Net cash flows	748	2,770	12,027	15,545
Cash and cash equivalents - beginning	49,197	70,302	51,767	171,266
Cash and cash equivalents - ending	$ 49,945	$ 73,072	$ 63,794	$ 186,811

See accompanying notes to the basic financial statement.

TOWN OF BROOKS, GEORGIA
PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	SANITATION	WATER	STORMWATER	TOTAL
Operating income (loss)	$ 2,238	$ 2,066	$ (6,299)	$ (1,995)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	-	788	681	1,469
(Increase) decrease in receivables	(3,481)	(120)	-	(3,601)
Increase (decrease) in unearned income	5,571			
Increase (decrease) in customer overpayments	(792)	-	-	(792)
Increase (decrease) in accounts payable	53	-	-	53
Total adjustments	1,351	668	681	(2,871)
Net cash from operating activities	$ 3,589	$ 2,734	$ (5,618)	$ (4,866)

See accompanying notes to the basic financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

B. The Reporting Entity

The Town of Brooks, Georgia (the Town) was established in 1910 and is located in Fayette County about 40 miles south of Atlanta. The Town provides a full range of services to approximately 560 residents. These services are provided in whole or in part by the Town. These services include water and sewer, sanitation, public improvements, planning and zoning, parks and recreation, library, cemetery, and general administrative services.

Governmental Accounting Standards Board Standards defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Using the above criteria, the Town does not have any component units.

C. Basic Financial Statements—Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the Town at year-end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements - Continued

The government-wide Statements of Activities present a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities and for business-type activities of the Town. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The Town does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the Town.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the Town at this more-detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column.

Governmental Fund Types – Governmental funds are those through which most governmental functions of the Town are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Town's major governmental funds:

General Fund – The General Fund is the primary operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other specific funds.

The SPLOST Capital Projects Fund – This fund is used by the Town to account for acquisition and construction of major capital facilities that were approved by the voters of Fayette County, Georgia through the Special Purpose Local Option Sales Tax referendum in March 2017 and commenced on July 1, 2018 and will continue for six years.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements - Continued

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Town's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Town's major enterprise funds:

The Water Enterprise Fund – This fund is used to account for activities connected with the development, operation and maintenance of water in the Town of Brooks and parts of Fayette County.

Solid Waste Management Enterprise Fund - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential users of the Town.

Stormwater Reserve Fund- This fund was created during fiscal year ended June 30, 2014 to account for resources obtained to provide drainage improvements and operating activities.

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Town are included on the statements of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, interest revenue, and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties, and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

G. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The Town's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the Town utilized the following methods and assumptions as of June 30, 2021:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and, c) items associated with a fund other than the fund to which the income is assigned.

The Town's policy is to hold investments until maturity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories of the Water and Sewer Funds, if any, consist of various repair parts and supplies. There were no such inventories at June 30, 2021.

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond June 30, 2021 are recorded as prepaid items and are expensed during the period benefited. There were no such prepayments recorded at June 30, 2021.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. 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. No interest was capitalized during fiscal year ended June 30, 2021. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20-50 years
Machinery and equipment	5-10 years
Water and sewer systems	40 years
Roads	50 years
Land improvements	10 years

The City implemented the $5,000 threshold for assets purchased beginning July 1, 2015. Prior to July 1, 2015, the capitalization threshold was $500.

The Town only reports infrastructure assets purchased subsequent to December 31, 2003.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

L. Revenues

Substantially all governmental fund revenues are accrued. When applicable, property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

M. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs, when presented, are reported in the period when inventory items are used, rather than in the period purchased.

N. Compensated Absences

The Town accrues accumulated unpaid vacation and sick leave benefits, which will be paid to employees upon separation from service, when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. There were no accruals for compensated absences as of June 30, 2021.

O. Interfund Activity

Interfund activity is 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 are 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 between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

P. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

(See Independent Auditor's Report).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

Q. Fund Balance – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Town of Brooks' Council. Brooks' Council is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances approved by Town Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation..

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Town Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal..

Unassigned – all other spendable amounts.

As of June 30, 2021, fund balances were composed of the following:

General Fund	
Restricted for road improvements	$ 30,068
Unassigned	339,698
SPLOST Fund -	
Capital projects	93,664
Total	$ 463,430

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditures is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

R. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The Town has no items that qualify for reporting in this category as of June 30, 2021.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2021 the Town had no significant items that qualify for reporting in this category.

S. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Town's government-wide statements of net position reported the following amount of restricted net position as of June 30, 2021:

Restricted by Grant Agreement - LMIG	$ 30,068
Restricted by enabling legislation - SPLOST	$ 93,664

The Town applies restricted resources first when an expense is incurred for which both restricted and unrestricted net position are available.

T. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

U. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

V. Budgets and Budgetary Accounting

The Town Council adopts an annual budget for all of the Town's funds. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution. Any revisions that alter the total expenditures of any department must be approved by Town Council.

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally approved or last amended. All annual appropriations lapse at year end.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town follows the State's requirement for all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of June 30, 2021, $398,451 of the Town's bank balances of $648,451 were exposed to custodial credit risk as follows:

Total bank deposits	$ 648,451
Uninsured and uncollateralized	$ -
Collateralized with securities held by pledging financial institution or its agent	398,451
Total	$ 398,451

Investments

Investments - Statutes authorize the Town to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

Investments consisted of certificates of deposits and are included in the above mentioned bank balances. Investments are stated at cost plus accrued interest, which approximates fair value.

3. PROPERTY TAX

Property taxes are levied in October and are due 60 days after the receipt of the tax notice. Property taxes attach as an enforceable lien on the property as of January 1. A Local Option Sales Tax (LOST) is in force. Proceeds from the LOST are remitted to the Town on a monthly basis and are utilized to give property tax owners tax relief. The Town has obtained the service of Fayette County to bill and collect the Town's property taxes. The County remits monies collected to the Town on a semi-monthly basis.

4. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables reported in the fund financial statements for the years ended June 30, 2021 consisted of the following:

	Receivable	Revenue
General Fund -		
LMIG Grant	$ -	$ 13,976
Safety Grant	-	-
IRS	-	-
SPLOST Fund -		
SPLOST - Fayette County	27,112	153,614
Revenue	$ 27,112	$ 167,590

5. RECEIVABLES

Receivables as of June 30, 2021, including the applicable allowances for uncollectible accounts, were as follows:

Governmental Funds -	
General Fund -	
Taxes	$ 16,065
Intergovernmental	-
SPLOST -	
Intergovernmental	27,112
Total Governmental Funds	$ 43,177
Proprietary Funds -	
Sanitation Fund -	
Accounts	$ 4,099
Water Fund -	
Accounts	329
Total	4,428
Allowance for doubtful accounts - Sanitation	(500)
Total Proprietary Funds	$ 3,928

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable or payable balances at June 30, 2021 were as follows.

	Due to		
Due from	Sewer Fund	Water Fund	General Fund
SPLOST Fund	$ -	$ 268	$ 98,263
Stormwater Fund	-	-	5,618
General Fund	355	-	-
	$ 355	$ 268	$ 103,881

The 2017 SPLOST Fund owed the General Fund $98,263 as of June 30, 2021 for cost incurred on a SPLOST approved project that was originally paid for by the General Fund. The SPLOST Fund also owed the Water Fund for $268 that was deposited into the SPLOST Fund bank account in error. The General Fund owed the Sanitation Fund $355 for an error in a deposit. The Stormwater Fund owed the General Fund $5,618 for stormwater expenses paid by the General Fund and not reimbursed as of June 30, 2021.

Individual fund interfund transfers for the year ended June 30, 2021 were as follows:

Transferred from the General Fund to the -	
Stormwater Fund	$ 12,000

The General Fund has been transferring $12,000 on an annual basis to the Stormwater Fund to help build a reserve in the Stormwater Fund for future capital needs.

7. LONG-TERM DEBT

The Town had no long term debt balance or transactions during the fiscal years ended June 30, 2021.

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the years ended June 30, 2021 was as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 209,985	$ -	$ -	$ 209,985
Construction in progress	189,809	46,118	(235,927)	-
Total capital assets not being depreciated	399,794	46,118	(235,927)	209,985
Capital assets being depreciated:				
Buildings and improvements	1,089,766	-	-	1,089,766
Machinery and equipment	304,795	16,229	(44,875)	276,149
Sewer system improvements	98,651	-	-	98,651
Roads	385,522	235,927	-	621,449
Land improvements	140,750	-	-	140,750
Total capital assets being depreciated	2,019,484	252,156	(44,875)	2,226,765
Less accumulated depreciation for:				
Buildings and improvements	497,384	28,192	-	525,576
Machinery and equipment	247,244	13,176	(44,875)	215,545
Sewer system improvements	84,335	3,466	-	87,801
Roads	38,491	13,393	-	51,884
Land improvements	21,096	4,304	-	25,400
Total accumulated depreciation	888,550	62,531	(44,875)	906,206
Total capital assets being depreciated, net	1,130,934	189,625	-	1,320,559
Governmental capital assets, net	$ 1,530,728	$ 235,743	$ (235,927)	$ 1,530,544

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

General government	$ 25,167
Public works	18,370
Cemetery	2,389
Parks and recreation	686
Library	15,919
Total depreciation expense	$ 62,531

8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

	Balance Beginning	Additions	Deletions	Balance Ending
Business Type Activities				
Capital assets, not being depreciated:				
Land	$ -	$ -	$ -	$ -
Capital assets being depreciated:				
System improvements	189,739	-	-	189,739
Total capital assets being depreciated	189,739	-	-	189,739
Less accumulated depreciation for:				
Water and sewer system improvements	139,994	1,469	-	141,463
Total accumulated depreciation	139,994	1,469	-	141,463
Total capital assets being depreciated, net	49,745	(1,469)	-	48,276
Governmental capital assets, net	$ 49,745	$ (1,469)	$ -	$ 48,276

Depreciation expense was charged to the Water Fund for $788 and the Stormwater Fund for $681.

(See Independent Auditor's Report)

9. JOINT VENTURES

Atlanta Regional Commission

Under Georgia law, the Town, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (hereafter, "ARC").. Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Management believes that ARC is accumulating sufficient financial resources to meet its financial obligations, therefore, no provision has been made in the accompanying financial statements for any debts or obligations that might inure to the Town of Brooks as a result of ARC's inability or refusal to meet its obligations. Separate financial statements for ARC may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

10. CONTINGENCIES

There were no lawsuits (whether asserted, pending, or threatened) or complaints as of June 30, 2021 that management believes will have a material effect on the financial condition of the Town.

11. EMPLOYEE BENEFIT PENSION PLANS

Deferred Compensation Plan-

In May 2009 the Town created a Deferred Compensation Plan under IRS code section 457(b). The Plan is administered by the Georgia Municipal Association. Under the terms of the deferred compensation plan, any employee can voluntarily defer up to $18,000 of gross compensation per year. Each participant selects one of three options to administer the investment of the deferred funds. All administration costs of the plan are deducted from the participants' accounts. The deferred amounts may be distributed to the employee upon retirement or other termination of employment, disability, death, or financial hardship. Total amounts deferred by employees for the year ended June 30, 2021 was $1,200.

12. RISK MANAGEMENT

The Town of Brooks is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town is a member of Georgia Interlocal Risk Management Agency. This membership allows the Town to share liability, crime, motor vehicle, and property damage risks.

Coverages are as follows:

Coverage Description – Property:	
Buildings and contents – (Blanket)	$2,083,317
Automobile physical damage	Per Application on file with GIRMA
Coverage Description – Casualty:	
Comprehensive general liability	$ 600,000
Automobile liability	$ 750,000
Errors and omissions (Public Officials)	$ 600,000
Employee benefits liability	$ 600,000
Coverage Description – Crime:	
Blanket bond – employees required to be bonded	$500,000
Blanket bond – all other employees	$500,000
Depositors forgery	$500,000
Money and securities – loss inside and outside premises	$500,000
Deductible:	
Most coverages are subject to a per occurrence deductible of	$1,000
Cyber coverage is subject to a per occurrence deductible of	$10,000

Coverage Exceptions:

Coverage Subject to a Retroactive Date:

Chapter 85 Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government.

During the year ended June 30, 2021, the Town paid no claims. The Town has not compiled a record of the claims paid up to the $1,000 deductible for the prior years. The Town is not aware of any claims which the Town is liable for (up to the $1,000) which were outstanding and unpaid at June 30, 2021. No provisions have been made in the accompanying financial statements for the years ended June 30, 2021 for any estimate of potential unpaid claims.

The Town of Brooks does not provide and is not required to provide Workers Compensation Insurance over its employees.

(See Independent Auditor's Report)

13. SPECIAL ITEM - BROOKS AREA RECREATION, INC.

As of July 1, 2009 the Town disassociated itself from the operations of the Brooks Area Recreational Complex. The Town currently rents the facilities to the Brooks Area Recreation, Inc., (BARI) a corporation that has applied for recognition as a non-profit organization under the Internal Revenue Service code section 501 (c) (3). Although the Town continues to provide financial assistance to BARI, the Town has no direct or indirect responsibility for the park's day-to-day operations.

14. CONTRACT FOR OPERATING THE TOWN'S WATER SYSTEM

In July 2010 the Town entered into a contract with Fayette County (hereafter the "County") for Fayette County Water System to assume operational responsibility for the Water System for the Town of Brooks, Georgia. Although the County has managed the Town of Brooks Water System since the date of the contract, ownership of the system remains with the Town.

The terms of the agreement include Fayette County being assigned the managerial, operations and financial responsibility of operating, maintaining and expanding the existing water system for a period of 49 years unless terminated or extended by the parties. In negotiating this agreement, the Mayor and Council believed that the Town will benefit from the County's upgrading the existing system and ultimately providing residents with improved service.

Under the terms of the agreement Fayette County shall have the sole responsibility and authority to establish and set rates, fees, charges, and penalties necessary for the operation, maintenance, upgrade, improvement, and expansion of the water system. Subject to the provisions hereof, it is intended that the expansion, upgrade, improvement, operation, and maintenance of the water system shall be on a self-sustaining basis. All revenues of Fayette County water system shall be used exclusively by the water fund for direct and indirect costs of the water operations.

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

A. Deficit fund balances or net asset balances of individual funds – As of June 30, 2021, none of the Town's Funds had a deficit net fund balance.

B. Excess expenditures over budget in individual funds are as follows:

The City's General Fund had one department that incurred material excesses (if over 5 percent and greater than $5,000) of expenditures over appropriations at the department level (the legal level of control).

	Budget	Actual	Variance
General Fund -			
Public Works	$ 54,323	$ 68,166	$ (13,843)

(See Independent Auditor's Report)

TOWN OF BROOKS, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
SCHDULE OF PROJECTS CONSTRUCTED WITH SLOST PROCEEDS
FOR THE YEARS ENDED JUNE 30, 2021

PROJECT	ORIGINAL ESTIMATED COST	EXPENDITURES			Percent
		PRIOR YEAR	CURRENT YEAR	TOTAL	
Street Improvements -	$ 633,791	$ 400,349	$ 46,211	$ 446,560	70.5%
Water Distribution Infrastructure	60,000	-	-	-	0.0%
	$ 693,791	$ 400,349	$ 46,211	$ 446,560	64.4%

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