



City of Alexander City

FINANCIAL STATEMENTS

September 30, 2021



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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Alexander City
Alexander City, Alabama

Report on the Financial Statements

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 City of Alexander City, Alabama as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government 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.

Auditors' 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 from 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.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 4 to the financial statements, management has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. In addition, as described in Note 4 to the financial statements, detail capital asset records are not maintained to support recorded asset balances and to compute depreciation in accordance with accounting principles generally accepted in the United States of America. The amount by which these departures would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to previously do not present fairly the financial position of the governmental activities of the City, as of September 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions on Business-type Activities - Water Fund, Sewer Fund, Gas Fund, Electric Fund, and the Other Enterprise Fund

As described in Note 4 to the financial statements, all capital assets are not supported by detailed records, utility systems do not include all indirect and overhead costs of additions and costs of extensions donated by developers and individuals, and all retired assets have not been removed in accordance with accounting principles generally accepted in the United States of America. The amount by which this departure would affect the assets, net position, and expenses of the business-type activities, water fund, sewer fund, gas fund, electric fund, and the other enterprise fund is not reasonably determinable.

Qualified Opinions on Business-type Activities - Water Fund, Sewer Fund, Gas Fund, Electric Fund, and the Other Enterprise Fund

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, water fund, sewer fund, gas fund, electric fund, and the other enterprise fund of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the general fund, the debt service fund, and the other governmental funds of the City, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Deficit Fund Balance

As described in Note 14, the City's General Fund has an unassigned deficit fund balance of \$10,212,461 as of September 30, 2021. Furthermore, the City's total General Fund balance has a deficit of \$4,854,068 as of September 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in net pension liability, the schedule of employer pension contributions, the schedule of changes in total OPEB liability, the schedule of employer OPEB contributions and related notes to required supplementary information on pages 49-57 be presented to supplement the basic financial statements. Such information, although not required to be part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above and the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the City'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC

Birmingham, Alabama

February 16, 2024



FINANCIAL STATEMENTS



City of Alexander City Statement of Net Position

<i>September 30, 2021</i>	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,771,607	\$ 14,025,321	\$ 15,796,928
Receivables, net of allowance for uncollectible accounts	3,268,306	3,934,964	7,203,270
Inventory	338,501	998,757	1,337,258
Prepaid expenses	141,465	19,563	161,028
Restricted assets			
Cash and cash equivalents	410,496	-	410,496
Land and construction in progress	4,923,962	284,689	5,208,651
Capital assets, net of accumulated depreciation	28,775,483	33,150,787	61,926,270
Total assets	39,629,820	52,414,081	92,043,901
Deferred Outflows of Resources			
Employer pension contributions subsequent to measurement date	854,935	273,097	1,128,032
Difference between expected and actual experience - pension	156,171	49,886	206,057
Difference between projected and actual earnings - pension	984,178	314,381	1,298,559
Difference due to change of assumptions - pension	452,249	144,464	596,713
Difference between expected and actual experience - OPEB	14,196	7,170	21,366
Difference due to change of assumptions - OPEB	137,349	69,376	206,725
Total deferred outflows of resources	2,599,078	858,374	3,457,452
Liabilities			
Bank overdraft	4,684,234	-	4,684,234
Accounts payable	1,841,749	1,995,194	3,836,943
Accrued payroll and related liabilities	264,948	97,693	362,641
Accrued interest	18,540	-	18,540
Customer deposits	-	818,639	818,639
Noncurrent liabilities			
Net pension liability	8,143,793	2,601,414	10,745,207
Total OPEB liability	884,174	446,606	1,330,780
Due within 1 year	363,864	-	363,864
Due in more than 1 year	9,055,706	243,374	9,299,080
Total liabilities	25,257,008	6,202,920	31,459,928

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Net Position (Continued)

<i>September 30, 2021</i>	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Deferred Inflows of Resources			
Property tax revenues	\$ 1,459,341	\$ -	\$ 1,459,341
Difference between expected and actual experience - pension	569,268	181,844	751,112
Difference due to change of assumptions - OPEB	14,877	7,515	22,392
Difference in expected and actual experience - OPEB	32,043	16,186	48,229
Total deferred inflows of resources	2,075,529	205,545	2,281,074
Net Position			
Net investment in capital assets	25,088,873	33,435,476	58,524,349
Restricted for			
Debt service	14,508	-	14,508
Capital projects	940,885	-	940,885
Municipal court	191,065	-	191,065
Infrastructure maintenance	591,892	-	591,892
Other purposes	7,049	-	7,049
Unrestricted (deficit)	(11,937,911)	13,428,514	1,490,603
Total net position	\$ 14,896,361	\$ 46,863,990	\$ 61,760,351

The accompanying notes are an integral part of these financial statements.

City of Alexander City Statement of Activities

<i>For the year ended September 30, 2021</i>		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Program Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 7,188,351	\$ 3,142,061	\$ 35,681	\$ 694,726	\$ (3,315,883)	\$ -	\$ (3,315,883)
Public safety	10,303,788	1,652,361	-	140,790	(8,510,637)	-	(8,510,637)
Public works	4,588,411	8,473	-	88,716	(4,491,222)	-	(4,491,222)
Sanitation	1,352,892	1,175,119	-	-	(177,773)	-	(177,773)
Education and health	3,394,099	-	-	-	(3,394,099)	-	(3,394,099)
Culture, recreation and welfare	2,208,197	110,372	9,727	-	(2,088,098)	-	(2,088,098)
Unallocated depreciation, see Note 4	4,175,033	-	-	-	(4,175,033)	-	(4,175,033)
Interest on long-term debt	269,258	-	-	-	(269,258)	-	(269,258)
Total governmental activities	33,480,029	6,088,386	45,408	924,232	(26,422,003)	-	(26,422,003)
Business-type activities							
Water	4,231,153	6,216,760	-	144,867	-	2,130,474	2,130,474
Sewer	5,163,510	2,811,205	-	-	-	(2,352,305)	(2,352,305)
Gas	1,879,352	2,665,858	-	-	-	786,506	786,506
Electric	11,325,265	14,212,507	-	-	-	2,887,242	2,887,242
Golf	595,610	506,813	-	-	-	(88,797)	(88,797)
Total business-type activities	23,194,890	26,413,143	-	144,867	-	3,363,120	3,363,120
Total primary government	\$ 56,674,919	\$ 32,501,529	\$ 45,408	\$ 1,069,099	(26,422,003)	3,363,120	(23,058,883)

(Continued)

The accompanying notes are an integral part of these financial statements.

**City of Alexander City
Statement of Activities (Continued)**

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<i>For the year ended September 30, 2021</i>			
General Revenues			
Taxes			
Sales	\$ 13,228,279	\$ -	\$ 13,228,279
Property	3,038,103	-	3,038,103
Other	1,871,600	-	1,871,600
Unrestricted investment earnings	6,699	14,885	21,584
Miscellaneous	2,885,296	84,518	2,969,814
Donations	116,003	-	116,003
Net transfers	3,651,707	(3,651,707)	-
Total general revenues and transfers	24,797,687	(3,552,304)	21,245,383
Change in net position	(1,624,316)	(189,184)	(1,813,500)
Net position - beginning	16,520,677	47,053,174	63,573,851
Net position - ending	\$ 14,896,361	\$ 46,863,990	\$ 61,760,351

The accompanying notes are an integral part of these financial statements.

City of Alexander City Balance Sheet—Governmental Funds

<i>September 30, 2021</i>	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ 1,619,656	\$ 151,951	\$ 1,771,607
Receivables, net of allowance for uncollectible accounts	3,158,349	14,508	29,445	3,202,302
Inventory	338,501	-	-	338,501
Restricted assets				
Cash and cash equivalents	-	-	410,496	410,496
Total assets	\$ 3,496,850	\$ 1,634,164	\$ 591,892	\$ 5,722,906
Liabilities				
Bank overdraft	\$ 4,684,234	\$ -	\$ -	\$ 4,684,234
Accounts payable and accrued expenses	1,749,486	83,716	8,547	1,841,749
Accrued payroll and related liabilities	264,948	-	-	264,948
Total liabilities	6,698,668	83,716	8,547	6,790,931
Deferred Inflows of Resources				
Unavailable revenues - property tax	1,459,341	-	-	1,459,341
Unavailable revenues - grants	192,909	-	-	192,909
Total deferred inflows of resources	1,652,250	-	-	1,652,250
Fund Balances				
Nonspendable				
Inventory	338,501	-	-	338,501
Restricted for:				
Capital assets and improvements	940,885	-	-	940,885
Road improvements	-	-	591,892	591,892
Municipal court	191,065	-	-	191,065
Debt service	-	14,508	-	14,508
Other purposes	7,049	-	-	7,049
Committed for:				
Debt service reserve	-	1,535,940	-	1,535,940
Tourism	27,934	-	-	27,934
Economic development	135,377	-	-	135,377
Road improvements and repair	3,717,582	-	-	3,717,582
Unassigned (deficit)	(10,212,461)	-	(8,547)	(10,221,008)
Total fund balances	(4,854,068)	1,550,448	583,345	(2,720,275)
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,496,850	\$ 1,634,164	\$ 591,892	\$ 5,722,906

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

September 30, 2021

Total Fund Balance - Governmental Funds \$ (2,720,275)

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

Capital assets, net of accumulated depreciation used in governmental activities that are not financial resources and are not reported in the funds. 33,699,445

Prepaid expenses were recorded as expenditures when paid in the funds. 141,465

Accounts receivable - Lake Martin Area Economic Alliance 66,004

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflow of resources in the funds. 192,909

Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in governmental funds:

Deferred outflows related to pensions	2,447,533
Deferred outflow related to OPEB	151,545
Deferred inflows related to pensions	(569,268)
Deferred inflow related to OPEB	(46,920)

Long-term liabilities including net pension liability, total OPEB liability, warrants payable, compensated absences, accrued sick leave, and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. (18,466,077)

Net position of governmental activities **\$ 14,896,361**

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Revenues, Expenditures, and Changes
in Fund Balances—Governmental Funds

<i>For the year ended September 30, 2021</i>	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Sales and use taxes	\$ 13,228,279	\$ -	\$ -	\$ 13,228,279
Property taxes	1,525,820	1,512,283	-	3,038,103
Other taxes	1,566,778	-	304,822	1,871,600
Licenses and permits	2,223,371	-	-	2,223,371
Intergovernmental	1,321,829	-	-	1,321,829
Charges for services	3,253,626	-	-	3,253,626
Fines and forfeitures	569,913	-	-	569,913
Interest	5,000	1,172	527	6,699
Other revenues	2,574,584	-	-	2,574,584
Total revenues	26,269,200	1,513,455	305,349	28,088,004
Expenditures				
General government	6,779,157	-	47,292	6,826,449
Public safety	9,548,557	-	-	9,548,557
Public works	4,335,769	-	11,498	4,347,267
Sanitation	1,330,224	-	-	1,330,224
Education	1,040,553	2,152,605	-	3,193,158
Health	200,941	-	-	200,941
Culture, recreation and welfare	2,026,957	-	-	2,026,957
Debt service				
Debt retirement	792,854	-	-	792,854
Interest and fiscal agent fees	255,529	-	-	255,529
Capital outlay	477,157	-	2,347,005	2,824,162
Total expenditures	26,787,698	2,152,605	2,405,795	31,346,098
Excess (deficiency) of revenues over (under) expenditures	(518,498)	(639,150)	(2,100,446)	(3,258,094)
Other Financing Sources (Uses)				
Transfers in	3,651,707	750,000	2,112,611	6,514,318
Transfers out	(2,862,611)	-	-	(2,862,611)
Sale of fixed assets	58,400	-	-	58,400
Net other financing sources (uses)	847,496	750,000	2,112,611	3,710,107
Net change in fund balances	328,998	110,850	12,165	452,013
Fund balances at beginning of year	(5,183,066)	1,439,598	571,180	(3,172,288)
Fund balances at end of year	\$ (4,854,068)	\$ 1,550,448	\$ 583,345	\$ (2,720,275)

The accompanying notes are an integral part of these financial statements.

City of Alexander City

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

September 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 452,013

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.

Capital outlay	\$ 2,824,162	
Current year depreciation	(4,175,033)	(1,350,871)

The gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, disposals are not reported. Thus the change in net position differs from the change in fund balance by the net book value of the disposed capital assets. (58,400)

Repayments of warrants and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net position. 792,854

Donation - Industrial Building 116,003

Other expenses reported in the statement of activities that do not require current financial resources:

Net amortization of bond premium/deferred charge on debt refunding	(719)	
Difference in pension expense related to deferred outflows, deferred inflows and net pension liability	(1,507,070)	
Difference in OPEB expense related to deferred outflows, deferred inflows and total OPEB liability	(60,331)	
Change in prepaid insurance	(12,399)	
Change in accrued interest payable	(13,010)	
Change in accrued sick leave	42,464	
Change in compensated absences	(24,850)	(1,575,915)

Change in net position of governmental activities **\$ (1,624,316)**

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Net Position—Proprietary Funds

<i>September 30, 2021</i>	Major Enterprise Funds				Other Enterprise Fund	Total
	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Golf Fund	
Assets						
Current assets						
Cash and cash equivalents	\$ 1,495,083	\$ 3,809	\$ 6,184,416	\$ 6,342,013	\$ -	\$ 14,025,321
Receivables, net of allowance for uncollectible accounts	598,795	363,061	199,268	2,771,187	2,653	3,934,964
Inventory	216,872	65,281	78,906	613,703	23,995	998,757
Prepaid expenses	6,236	8,459	1,291	2,653	924	19,563
Total current assets	2,316,986	440,610	6,463,881	9,729,556	27,572	18,978,605
Noncurrent assets						
Land	206,374	10,000	3,545	-	64,770	284,689
Buildings, net	18,362	-	17,931	10,452	37,843	84,588
Improvements other than buildings, net	-	-	-	-	40,918	40,918
Utility system, net	13,974,191	12,300,285	2,101,868	3,061,299	-	31,437,643
Equipment, net	131,849	817,687	83,111	460,916	94,075	1,587,638
Total noncurrent assets	14,330,776	13,127,972	2,206,455	3,532,667	237,606	33,435,476
Total assets	16,647,762	13,568,582	8,670,336	13,262,223	265,178	52,414,081
Deferred Outflows of Resources						
Employer pension contributions subsequent to measurement date	71,292	104,456	24,478	59,899	12,972	273,097
Difference between expected and actual experience - pension	13,023	19,081	4,471	10,942	2,369	49,886
Difference due to change in assumptions - pension	37,712	55,256	12,949	31,685	6,862	144,464
Difference between projected and actual earnings on plan investments - pension	82,069	120,246	28,178	68,954	14,934	314,381
Difference due to change in assumptions - OPEB	17,549	26,905	6,260	15,175	3,487	69,376
Difference between expected and actual experience - OPEB	1,814	2,780	647	1,568	361	7,170
Total deferred outflows of resources	223,459	328,724	76,983	188,223	40,985	858,374

(Continued)

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Net Position—Proprietary Funds (Continued)

<i>September 30, 2021</i>	Major Enterprise Funds				Other Enterprise Fund	Total
	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Golf Fund	
Liabilities						
Current liabilities						
Accounts payable	\$ 318,110	\$ 503,343	\$ 98,835	\$ 1,054,525	\$ 20,381	\$ 1,995,194
Accrued payroll and related liabilities	26,666	38,489	9,547	18,827	4,164	97,693
Customer deposits	330,871	-	137,916	349,852	-	818,639
Total current liabilities	675,647	541,832	246,298	1,423,204	24,545	2,911,526
Noncurrent liabilities						
Compensated absences	64,902	95,056	18,185	49,928	15,303	243,374
Net pension liability	679,097	995,006	233,171	570,570	123,570	2,601,414
Total OPEB liability	112,968	173,199	40,300	97,686	22,453	446,606
Total noncurrent liabilities	856,967	1,263,261	291,656	718,184	161,326	3,291,394
Total liabilities	1,532,614	1,805,093	537,954	2,141,388	185,871	6,202,920
Deferred Inflows of Resources						
Difference between expected and actual experience - pension	47,470	69,553	16,299	39,884	8,638	181,844
Difference between expected and actual experience - OPEB	4,094	6,277	1,461	3,540	814	16,186
Differences due to change in assumptions - OPEB	1,901	2,914	678	1,644	378	7,515
Total deferred inflows of resources	53,465	78,744	18,438	45,068	9,830	205,545
Net Position						
Net investment in capital assets	14,330,776	13,127,972	2,206,455	3,532,667	237,606	33,435,476
Unrestricted (deficit)	954,366	(1,114,503)	5,984,472	7,731,323	(127,144)	13,428,514
Total net position	\$ 15,285,142	\$ 12,013,469	\$ 8,190,927	\$ 11,263,990	\$ 110,462	\$ 46,863,990

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Revenues, Expenses, and Changes
in Net Position—Proprietary Funds

<i>September 30, 2021</i>	Major Enterprise Funds				Other Enterprise Fund	Total
	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Golf Fund	
Operating Revenue						
Charges for services	\$ 6,216,760	\$ 2,811,205	\$ 2,665,858	\$ 14,212,507	\$ 506,813	\$ 26,413,143
Total operating revenue	6,216,760	2,811,205	2,665,858	14,212,507	506,813	26,413,143
Operating Expenses						
Purchases for resale	-	-	1,073,372	9,233,683	40,043	10,347,098
Personnel services	1,124,351	1,751,916	393,994	944,450	309,983	4,524,694
Repairs and maintenance	597,648	742,087	98,819	435,765	38,210	1,912,529
Utilities	652,619	701,235	8,413	65,956	14,072	1,442,295
Other	971,664	761,515	108,914	247,044	147,708	2,236,845
Depreciation and amortization	884,871	1,206,757	195,840	398,367	45,594	2,731,429
Total operating expenses	4,231,153	5,163,510	1,879,352	11,325,265	595,610	23,194,890
Operating income (loss)	1,985,607	(2,352,305)	786,506	2,887,242	(88,797)	3,218,253
Nonoperating Revenues (Expenses)						
Interest income	3,513	3,547	1,188	6,167	470	14,885
Miscellaneous	5,861	5,445	71,602	2,722	(1,112)	84,518
Total nonoperating revenues (expenses)	9,374	8,992	72,790	8,889	(642)	99,403
Income (loss) before transfers	1,994,981	(2,343,313)	859,296	2,896,131	(89,439)	3,317,656
Transfers to other funds	(6,430,223)	(508,892)	(507,777)	(1,962,260)	(43,770)	(9,452,922)
Transfers from other funds	-	5,518,947	-	-	282,268	5,801,215
Total transfers	(6,430,223)	5,010,055	(507,777)	(1,962,260)	238,498	(3,651,707)
Net income (loss) before capital contributions	(4,435,242)	2,666,742	351,519	933,871	149,059	(334,051)
Capital contributions	144,867	-	-	-	-	144,867
Changes in net position	(4,290,375)	2,666,742	351,519	933,871	149,059	(189,184)
Net position at beginning of year	19,575,517	9,346,727	7,839,408	10,330,119	(38,597)	47,053,174
Net position at end of year	\$ 15,285,142	\$ 12,013,469	\$ 8,190,927	\$ 11,263,990	\$ 110,462	\$ 46,863,990

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Cash Flows—Proprietary Funds

<i>September 30, 2021</i>	Major Enterprise Funds				Other Enterprise Fund	Total
	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Golf Fund	
Operating Activities						
Receipts from customers	\$ 6,339,713	\$ 2,785,782	\$ 2,580,212	\$ 12,218,296	\$ 504,160	\$ 24,428,163
Receipts for interfund services	72,359	13,581	26,691	1,488,913	-	1,601,544
Payments to suppliers and vendors	(1,541,026)	(1,627,944)	(1,311,590)	(10,081,973)	(258,469)	(14,821,002)
Payments for interfund services	(612,515)	(624,075)	(6,297)	(1,357)	(1,820)	(1,246,064)
Payments to employees	(1,123,174)	(1,750,186)	(393,584)	(943,459)	(309,767)	(4,520,170)
Net cash provided by (used in) operating activities	3,135,357	(1,202,842)	895,432	2,680,420	(65,896)	5,442,471
Noncapital Financing Activities						
Net operating transfers	(6,430,223)	5,010,055	(507,777)	(1,962,260)	238,498	(3,651,707)
Net cash provided by (used in) noncapital financing activities	(6,430,223)	5,010,055	(507,777)	(1,962,260)	238,498	(3,651,707)
Capital and Related Financing Activities						
Acquisition and construction of capital assets	(224,085)	(1,740,798)	(37,006)	-	-	(2,001,889)
Capital contributions	144,867	-	-	-	-	144,867
Net cash provided by (used in) capital and related financing activities	(79,218)	(1,740,798)	(37,006)	-	-	(1,857,022)
Investing Activities						
Interest received	3,513	3,547	1,188	6,167	470	14,885
Miscellaneous revenues (expense)	5,861	5,445	71,602	2,722	(1,112)	84,518
Net cash provided by (used in) investing activities	9,374	8,992	72,790	8,889	(642)	99,403
Net change in cash and cash equivalents	(3,364,710)	2,075,407	423,439	727,049	171,960	33,145
Cash and cash equivalents at beginning of year (bank overdraft)	4,859,793	(2,071,598)	5,760,977	5,614,964	(171,960)	13,992,176
Cash and cash equivalents at end of year	\$ 1,495,083	\$ 3,809	\$ 6,184,416	\$ 6,342,013	\$ -	\$ 14,025,321

(Continued)

The accompanying notes are an integral part of these financial statements.

City of Alexander City
Statement of Cash Flows—Proprietary Funds (Continued)

<i>September 30, 2021</i>	Major Enterprise Funds				Other Enterprise Fund	Total
	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Golf Fund	
Operating Income (Loss)	\$ 1,985,607	\$ (2,352,305)	\$ 786,506	\$ 2,887,242	\$ (88,797)	\$ 3,218,253
Adjustments to reconcile operating income to net cash provided by (used in) operating activities						
Depreciation and amortization	884,871	1,206,757	195,840	398,367	45,594	2,731,429
Change in assets, deferred outflows, liabilities and deferred inflows						
Accounts receivable	195,311	(11,840)	(58,955)	(505,297)	(2,653)	(383,434)
Prepaid expenses	(464)	(629)	(94)	(197)	(64)	(1,448)
Inventory	20,272	7,084	(27,428)	(63,422)	(1,030)	(64,524)
Employer pension contributions subsequent to measurement date (deferred outflow)	22,680	25,735	9,091	18,392	5,027	80,925
Difference between expected and actual experience - pension (deferred outflow)	12,706	16,565	4,720	10,494	2,559	47,044
Net difference between projected and actual earnings on plan investments - pension (deferred outflow)	(7,498)	2,311	1,894	2,933	1,097	737
Difference due to change in assumptions - pension (deferred outflow)	3,840	(16,933)	(1,539)	(6,826)	(651)	(22,109)
Difference due to change in assumptions - opeb (deferred outflow)	(5,886)	(10,744)	(2,092)	(5,457)	(1,255)	(25,434)
Difference between expected and actual experience - OPEB (deferred outflow)	458	368	164	325	76	1,391
Accounts payable	60,333	(1,944)	15,731	(27,122)	269	47,267
Accrued payroll and related liabilities	4,053	17,062	465	5,149	984	27,713
Customer deposits	94,843	-	24,199	64,185	-	183,227
Compensated absences	(1,077)	26,753	5,183	4,991	4,846	40,696
Net pension liability	(153,438)	(158,413)	(64,233)	(123,046)	(35,893)	(535,023)
Total OPEB liability	11,953	33,249	4,215	13,526	3,104	66,047
Difference between expected and actual experience - pension (deferred inflow)	3,807	9,059	701	3,506	275	17,348
Difference between expected and actual experience - OPEB (deferred inflow)	4,094	6,277	1,461	3,540	814	16,186
Change of assumptions - OPEB (deferred inflow)	(1,108)	(1,254)	(397)	(863)	(198)	(3,820)
Net cash provided by (used in) operating activities	\$ 3,135,357	\$ (1,202,842)	\$ 895,432	\$ 2,680,420	\$ (65,896)	\$ 5,442,471

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City is a municipal corporation incorporated in 1872 currently governed by a mayor-council form of government consisting of the Mayor elected at large and six council members elected from defined districts. Members of the City Council serve part-time and are responsible for adopting all legislative ordinances and setting policies of the City, including the appropriation of money. The Mayor is the full-time chief executive officer and is responsible for the day-to-day management of the City in conjunction with the managers of the departments. These financial statements present the activities of the primary government, which is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate.

The accompanying financial statements of the City of Alexander City, Alabama (the City) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Related Organizations

The City Council is responsible for appointing the members of the Alexander City Board of Education (the Board). However, the City has no control or influence in the presentation or adoption of the Board's annual operating budget; the City is not responsible for any budget deficits incurred by the Board; and the Board has the authority to issue debt securities, which are neither secured by the City's revenue or obligations of the City. Accordingly, the financial statements of the Board are not presented in the accompanying financial statements because the City is not considered to be financially accountable for the Board.

At September 30, 2021, the City recorded \$1,512,283 of advalorem taxes for schools. At September 30, 2021, the appropriations to the Board were \$3,193,158. There were no amounts due to the Board of Education as September 30, 2021.

The City's officials are also responsible for appointing the members of the Housing Authority of the City of Alexander City, but the City's accountability for this organization does not extend beyond making the appointments. In 2021, the City received \$71,894 in payments in lieu of property taxes from the Housing Authority of the City of Alexander City.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

Basic Financial Statements:

Government-wide financial statements consist of a statement of net position and a statement of activities.

These statements report the activities of the primary government. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining.

In the statement of net position, the governmental and business-type activities columns are presented on a consolidated basis by column. The statement of net position reports on the full accrual, economic resource basis, which includes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts — net investment in capital assets, restricted, and unrestricted.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items, are presented as general revenues.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental and proprietary funds. Separate financial statements are presented for the governmental and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred,

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes (if levied), city-levied other taxes, licenses, fines and forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Service Fund is used to account for financial resources related to the City's debt activity and debt service.

Additionally, the government reports the following non-major governmental funds:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.
- The Capital Projects Fund is used to account for financial resources that are received and used for the acquisition, construction, or improvement of capital assets.

The City reports the following major enterprise funds:

- The Water Fund accounts for operations, maintenance and development of the water plant and distribution system. All costs are financed through charges to customers.
- The Sewer Fund accounts for the operation of the City's sanitary sewer services provided to the residents of the City. All costs are financed through charges to customers.
- The Gas Fund accounts for operations, maintenance and development of the natural gas distribution system. All costs are financed through charges to customers.
- The Electric Fund accounts for operations, maintenance and development of the electric distribution system. All costs are financed through charges to customers.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Additionally, the government reports the following non-major enterprise fund type:

- The Golf Fund accounts for operations and maintenance of the City owned golf course. Costs are financed through user fees to golfers and periodic transfers from the general fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 primary operating revenues of the enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, operations, maintenance, financing and related debt service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deposits

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

In the Government-Wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, advalorem taxes, and other taxes.

In the fund financial statements, receivables in governmental funds include the receivables mentioned in the preceding paragraph and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

Property taxes are assessed on October 1 and levied on the subsequent October 1 for the fiscal year beginning on the levy date, at which time a lien is attached. These taxes are due and payable on October 1 (levy date) and delinquent after December 31 in each year (except with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid 30 days after the first class notification to the delinquent taxpayer following the due date, a tax lien sale is required to be held. Revenue is recognized in the year when the taxes are levied and collected. The taxes are collected by the Tallapoosa County, Alabama tax collector and remitted to the City net of a collection fee.

Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the average or first in/first out method. Inventories in governmental funds are offset by a reserve for inventories that indicates that portion of fund balance is not available for other subsequent expenditures. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when made in the governmental funds. These payments are recorded as prepaid items in the proprietary funds and governmental activities.

Restricted Assets

The use of certain assets is restricted pursuant to debt covenants or other externally-imposed restrictions. The amount of these assets is reported as restricted net position in the basic financial statements. Restricted assets generally consist of the following: (1) resources set aside for the repayment of long-term debt pursuant to debt covenants and state law are "restricted for debt service," (2) the unexpended portion of debt proceeds that are restricted for use in construction are "restricted for capital projects," and (3) resources restricted for specific purposes pursuant to state and federal law are "restricted for other."

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets that are tangible in nature, with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated 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 or capacity of the asset or materially extend assets lives are not capitalized.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of business-type activities is not reflected in the capitalized value of the asset constructed.

Depreciation on exhaustible assets is recorded as an unallocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. No depreciation is computed in the year of acquisition. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	6-20 years
Buildings	20-30 years
Improvements other than buildings	20-25 years
Utility systems	20-50 years
Equipment	5-20 years

Unearned Revenues

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met and the City has a legal claim to the resources, the revenue is recognized.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability representing 25% of the total unpaid accumulated sick leave adjusted for longevity factors has been accrued on the government-wide financial statements because employees have the option of either being paid 25% of unpaid sick leave adjusted for longevity factors upon their termination from service or having that balance converted to retirement service credits in the Employees' Retirement System of Alabama.

The pension contribution rate includes a factor to provide for converting sick leave to additional time at retirement. Vacation pay that is expected to be liquidated with expendable available financial resources (matured) is reported as an expenditure and a fund liability of the governmental fund that will pay it. Current and long-term portions of vacation pay are accrued in the government-wide and proprietary funds statements when incurred.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

In the government-wide financial statements, and the 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 statements of net position. Warrant premiums and discounts are deferred and amortized over the life of the warrants. Warrants payable are reported net of the applicable warrant premium or discount. Warrant issuance costs are expensed when incurred.

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

Lease Obligations

In the government-wide financial statements, capital lease obligations are reported as liabilities in the governmental activities statement of net position. In the governmental fund financial statements, the face amount of the lease obligation is reported as other financing sources when the lease is executed. Any lease issuance costs are reported as debt service expenditures.

Pensions

The Employees' Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Net pension liability, pension deferred inflows/outflows, and pension expense are allocated between governmental activities and proprietary activities based on total gross wages.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits

The net position of the City's Retiree Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflow of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the OPEB Plan's fiduciary net position. Benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report separate section for deferred outflows 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/expenditure) until then. The City currently has multiple items that qualify for reporting in this category. The first one is related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of net pension liability in 2022. The second one is the difference between expected and actual experience of the pension plan. The third one is the difference between projected and actual earnings of the pension plan. The fourth one is the changes in assumptions on the net pension liability. The fifth one is the difference between expected and actual experience of the OPEB plan. The sixth one is the changes in assumption on the OPEB liability.

In addition to liabilities, the Statement of Net 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has multiple items that qualify for reporting in this category. The first one is related to deferred property tax revenues that will be recognized in a future period. The second one is the difference between expected and actual experience for the pension plan. The third is the changes in assumptions on the OPEB liability. The fourth one is the difference between expected and actual experience of the OPEB liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances - Governmental Funds

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

Non-spendable fund balance - amounts that are not in a spendable form, or they are legally or contractually required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (the City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. The City does not currently have any fund balance classified as assigned.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet. As discussed in Note 1, restricted funds are used first as appropriate. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the finance committee has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with 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.

City of Alexander City
Notes to Financial Statements

Note 2: DEPOSITS AND INVESTMENTS

The City does not have a formal written investment policy; however, state law limits the kinds of investments that Alabama municipalities can make to: (1) accounts and certificates of deposits with banks or savings associations that are qualified public depositories; (2) direct obligations of the U.S. Department of the Treasury and certain federal agencies; (3) certain qualified obligations of any state and their agencies; and (4) common trust funds, collective investment funds maintained by qualified institutions, or any registered mutual funds, all of which must hold a prescribed amount of obligations meeting the requirements of 1-3 above. At year-end, the City did not have any investment balances.

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the carrying amount of the City's deposits in financial institutions was \$11,523,190 and the bank balance was \$13,490,868. All bank balances at September 30, 2021 are considered insured because any balances not covered by FDIC insurance were covered by the Security for Alabama Funds Enhancement (SAFE) Program. The SAFE program is administered by the State Treasurer according to State of Alabama statute, and any bank or financial institution in the State of Alabama accepting deposits of public funds is required to insure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The entire pool stands behind each deposit. Eligible collateral are those securities currently designated as acceptable collateral for state deposits as defined by State law.

Note 3: RECEIVABLES

Receivable balances have been disaggregated by type and presented separately in the financial statements. The following details the description and amounts of accounts receivable for the City:

	General Fund	Debt Service Fund	Other Governmental Fund	Total
Governmental Activities				
Taxes	\$ 2,757,317	\$ 14,508	\$ 29,445	\$ 2,801,270
Garbage receivables	216,030	-	-	216,030
Grants receivable	192,909	-	-	192,909
Other receivables	223,150	-	-	223,150
Allowance for doubtful accounts	(231,057)	-	-	(231,057)
Total	\$ 3,158,349	\$ 14,508	\$ 29,445	\$ 3,202,302

City of Alexander City
Notes to Financial Statements

Note 3: RECEIVABLES (Continued)

	Water Fund	Sewer Fund	Gas Fund	Electric Fund	Other Enterprise Golf Fund	Total
Business -type Activities						
Water receivables	\$ 951,876	\$ -	\$ -	\$ -	\$ -	\$ 951,876
Sewer receivables	-	704,990	-	-	-	704,990
Gas receivables	-	-	481,862	-	-	481,862
Electric receivables	-	-	-	3,739,470	-	3,739,470
Golf receivables	-	-	-	-	2,653	2,653
Allowance for doubtful accounts	(353,081)	(341,929)	(282,594)	(968,283)	-	(1,945,887)
Total	\$ 598,795	\$ 363,061	\$ 199,268	\$ 2,771,187	\$ 2,653	\$ 3,934,964

Note 4: CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2021, was as follows:

	Balance 9/30/2020	Increases	Decreases/ Reclassifications	Balance 9/30/2021
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 4,870,773	\$ 9,000	\$ 44,189	\$ 4,923,962
Construction in progress	8,253,554	2,394,296	(10,647,850)	-
Total capital assets, not being depreciated	13,124,327	2,403,296	(10,603,661)	4,923,962
Capital assets, being depreciated				
Infrastructure	11,064,214	-	-	11,064,214
Buildings and improvements	51,983,226	87,026	10,603,661	62,673,913
Equipment	20,395,909	333,840	(58,400)	20,671,349
Total capital assets, being depreciated	83,443,349	420,866	10,545,261	94,409,476
Less accumulated depreciation for:				
Infrastructure	5,190,598	719,174	-	5,909,772
Buildings and improvements	39,384,959	2,318,935	-	41,703,894
Equipment	16,883,403	1,136,924	-	18,020,327
Total accumulated depreciation	61,458,960	4,175,033	-	65,633,993
Total capital assets, being depreciated, net	21,984,389	(3,754,167)	10,545,261	28,775,483
Governmental activities capital assets, net	\$ 35,108,716	\$ (1,350,871)	\$ (58,400)	\$ 33,699,445

City of Alexander City
Notes to Financial Statements

Note 4: CAPITAL ASSETS (Continued)

	Balance 9/30/2020	Increases	Decreases/ Reclassifications	Balance 9/30/2021
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 284,689	\$ -	\$ -	\$ 284,689
Total capital assets, not being depreciated	284,689	-	-	284,689
Capital assets, being depreciated				
Buildings	748,941	-	-	748,941
Improvements other than buildings	518,024	5,473	-	523,497
Utility system	115,501,594	1,831,641	-	117,333,235
Equipment	11,284,585	164,775	-	11,449,360
Total capital assets, being depreciated	128,053,144	2,001,889	-	130,055,033
Less accumulated depreciation for:				
Buildings	647,882	16,471	-	664,353
Improvements other than buildings	473,178	9,401	-	482,579
Utility system	83,575,102	2,320,490	-	85,895,592
Equipment	9,476,655	385,067	-	9,861,722
Total accumulated depreciation	94,172,817	2,731,429	-	96,904,246
Total capital assets, being depreciated, net	33,880,327	(729,540)	-	33,150,787
Business type activities capital assets, net	\$ 34,165,016	\$ (729,540)	\$ -	\$ 33,435,476

The City does not maintain detailed records of all land and capital assets in service. In addition, as discussed below, the government has not recorded certain general infrastructure assets required by accounting principles generally accepted in the United States of America.

For governmental activities, self-constructed assets do not include labor and overhead costs and some donated assets have not been recorded. Depreciation cannot be calculated by function because 1) detailed records of buildings, improvements other than buildings and most infrastructure are not maintained and 2) equipment records are not maintained by department or function. Depreciation is computed on buildings and improvements other than buildings using a 20-year average life for the groups. Depreciation is computed for recorded infrastructure using 6 - 20 year average lives. Depreciation is computed on equipment over various lives that are not consistent for similar items.

Note 4: CAPITAL ASSETS (Continued)

For business-type activities, the government maintains capital asset records by fund, asset type, and year acquired; however, detailed records are not maintained. Self-constructed system additions do not include labor and overhead costs and do not include all material costs. The cost of utility systems does not include all costs of donated assets from developers or individuals and no interest has been capitalized on construction projects. Depreciation is computed using an average life for each year's adding additions.

Finally, for governmental activities, business-type activities, and proprietary funds, assets have not been depreciated in the year of acquisition, asset lives are not reviewed, and no disposals have been recorded.

Generally accepted accounting principles require the government to retroactively report major general infrastructure assets acquired after September 30, 1980 and before October 1, 2002 in governmental activities for the year ended September 30, 2007. Infrastructure assets include roads, bridges, storm water drainage, and similar assets. These infrastructure assets are likely to be the largest asset class of the City. Neither their cost nor related depreciation has historically been reported in the financial statements. The government has not recorded these infrastructure assets and related accumulated depreciation in the governmental activities as required by U. S. generally accepted accounting principles.

Depreciation expense for all depreciable assets is charged to functions/programs of the primary government as follows:

Governmental Activities	
Unallocated	\$ 4,175,033
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Total depreciation expense - governmental activities	\$ 4,175,033
<hr/>	
Business-type Activities	
Sewer	\$ 1,206,757
Water	884,871
Electric	398,367
Gas	195,840
Golf	45,594
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Total depreciation expense - business-type activities	\$ 2,731,429
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City of Alexander City
Notes to Financial Statements

Note 5: INTERFUND TRANSFERS

The composition of interfund transfers as of September 30, 2021, is as follows:

Transfer to	Transfer from						Other Enterprise (Golf)	Total
	General	Water	Sewer	Gas	Electric			
General	\$ -	\$ 911,276	\$ 508,892	\$ 507,777	\$ 1,679,992	\$ 43,770	\$ 3,651,707	
Debt service	750,000	-	-	-	-	-	750,000	
Sewer	-	5,518,947	-	-	-	-	5,518,947	
Other enterprise (Golf)	-	-	-	-	282,268	-	282,268	
Other governmental	2,112,611	-	-	-	-	-	2,112,611	
Total	\$ 2,862,611	\$ 6,430,223	\$ 508,892	\$ 507,777	\$ 1,962,260	\$ 43,770	\$ 12,315,533	

Transfers are used to (1) use revenues collected in the other funds to the general fund to finance various programs or operations accounted for in the general fund, (2) move budgeted transfers from the enterprise funds to the general fund, (3) move revenues from the general fund to the debt service fund where debt service payments are made, and (4) move cash to the sewer fund to cover negative cash balances in the pooled cash account, (5) move cash to the golf fund to cover negative cash balances in the pooled cash account and (6) move cash to the capital projects fund from the general fund for capital outlay expenditures.

Note 6: LONG-TERM DEBT

General Obligation Warrants

The City issued general obligation warrants to provide funds for the purchase, construction, and improvements of major capital facilities for the City and to refund other general obligation warrants. General obligation warrants constitute general obligations of the government for the payment of which the full faith, credit and taxing power of the government are irrevocably pledged. There are a number of limitations and restrictions contained in the various bond indentures. The government is in compliance with all significant limitations and restrictions.

On April 22, 2019, the City issued \$9,111,000 General Obligation Warrants, Series 2019. The Series 2019 warrants were issued for the purpose of purchasing a new City Hall facility and related improvements. At September 30, 2021, the City did not take any advances. The outstanding balance at September 30, 2021 is \$8,610,805.

**City of Alexander City
Notes to Financial Statements**

Note 6: LONG-TERM DEBT (Continued)

General Obligation Warrants (Continued)

Annual debt service requirements to maturity for general obligation warrants currently outstanding are as follows:

	Governmental Activities		
	G.O. Warrants		
	Principal	Interest	Total
2022	\$ 363,864	\$ 228,890	\$ 592,754
2023	373,848	218,906	592,754
2024	7,873,093	122,976	7,996,069
2025	-	-	-
2026	-	-	-
Thereafter	-	-	-
Total	\$ 8,610,805	\$ 570,772	\$ 9,181,577

General obligation warrants currently outstanding are as follows:

Series	Purpose	Maturity Date	Interest Rates	Amount
Governmental Activities				
G.O. Warrants, Series 2019, dated 4/22/2019	Fund purchase and improvements on a new City Hall facility	5/1/2024	2.71%	\$ 8,610,805
Total G.O. Warrants				\$ 8,610,805

**City of Alexander City
Notes to Financial Statements**

Note 6: LONG-TERM DEBT (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation warrants	\$ 9,364,621	\$ -	\$ (753,816)	\$ 8,610,805	\$ 363,864
Deferred amounts on refunding	(346)	-	346	-	-
Unamortized premiums	(373)	-	373	-	-
Total general obligation warrants	9,363,902	-	(753,097)	8,610,805	363,864
Capital lease obligation	39,038	-	(39,038)	-	-
AMEA loan	200,000	-	(200,000)	-	-
Accrued sick leave	255,612	-	(42,464)	213,148	-
Compensated absences	570,767	24,850	-	595,617	-
Governmental activities long-term liabilities	\$ 10,429,319	\$ 24,850	\$ (1,034,599)	\$ 9,419,570	\$ 363,864

The City's General Fund is generally responsible for liquidating the liability for compensated absences since most of the activities affecting that liability occur with General Fund departments.

The compensated absences balance at year end for proprietary funds is \$243,374, which includes sick accrual of \$90,316.

Note 7: LEASE OBLIGATIONS

Operating Leases

The City was not obligated on any significant operating leases as of September 30, 2021.

Capital Leases

The City previously entered into a lease agreement as lessee for financing the acquisition of defibrillators. The lease agreement was treated as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date in the basic financial statements. During the year ended September 30, 2021, this capital lease was paid in full. The related amortization of assets under capital leases is included in depreciation expense.

Note 7: LEASE OBLIGATIONS (Continued)

Capital Leases (Continued)

The assets acquired through capital leases are as follows:

	Cost Basis	Accumulated Depreciation	Total
Equipment	\$ 195,940	\$ 65,315	\$ 130,625
Total	\$ 195,940	\$ 65,315	\$ 130,625

Note 8: DEFINED BENEFIT PENSION PLAN

Plan Description

The ERS, an agent multiple-employer public employee retirement plan, was established October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees. Effective October 1, 2021 Act 390 of the Legislature of 2021 will create two additional representatives and change the composure of representatives within the ERS Board of Control. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Plan Description (Continued)

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to *Code of Alabama 1975, Section 36-27-6*.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Continued)

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 590 employers adopted Act 2019-132.

The ERS serves approximately 853 local participating employers. The ERS membership includes approximately 101,245 participants. As of September 30, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	28,672
Terminated employees entitled to, but not yet receiving benefits	1,974
Terminated employees not entitled to a benefit	14,133
Active members	56,369
Post-Drop participants who are still in active service	97
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Total	101,245
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Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation.

Employers participating in the ERS pursuant to *Code of Alabama, Section 36-27-6* were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Contributions (Continued)

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2021, the City's active employee contribution rate was 8.01% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 8.26% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2021 was 9.36% of pensionable pay for Tier 1 employees, and 6.20% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2017, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$1,128,032 for the year ended September 30, 2021.

**City of Alexander City
Notes to Financial Statements**

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019 rolled forward to September 30, 2020 using standard roll-forward techniques as shown in the following table:

TPL Roll Forward			
	Expected	Actual Before Act 2019-132	Actual After Act 2019-132
(a) Total Pension Liability as of September 30, 2019	\$ 50,218,963	\$ 49,847,140	\$ 50,391,216
(b) Discount Rate	7.70%	7.70%	7.70%
(c) Entry Age Normal Cost for October 1, 2019 – September 30, 2020 (b)	1,041,670	1,041,670	1,162,858
(d) Transfers Among Employers	-	(141,998)	(141,998)
(e) Actual Benefit Payment and Refunds for October 1, 2019 – September 30, 2020 (c)	(2,760,766)	(2,760,766)	(2,760,766)
Total Pension Liability as of September 30, 2020 [(a) x (1+(b))] + (c) + (d) + [(e)*(1+.5*(b))]	<u>\$ 52,260,438</u>	<u>\$ 51,717,986</u>	<u>\$ 52,425,144</u>
(g) Difference between Expected and Actual		\$ (542,452)	
(h) Less Liability Transferred for Immediate Recognition		<u>(141,998)</u>	
(i) Difference between Expected and Actual Experience (Gain)/Loss		<u>\$ (400,454)</u>	
(j) Difference between Actual TPL Before and After 2019-132 - Benefit Change (Gain)/Loss			707,158

Actuarial Assumptions

The total pension liability as of September 30, 2020 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2019. The key actuarial assumptions are summarized below:

Inflation	2.75%
Projected salary increases	3.25%-5.00%
Investment rate of return*	7.70%

*Net of pension plan investment expense.

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of an actual experience study for the period October 1, 2010 – September 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternative	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	100.00%	

* Includes assumed rate of inflation of 2.50%.

**City of Alexander City
Notes to Financial Statements**

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2019	\$ 50,218,963	\$ 40,435,938	\$ 9,783,025
Changes for the year			
Service cost	1,041,670	-	1,041,670
Interest	3,760,571	-	3,760,571
Changes in benefit terms	707,158	-	707,158
Changes in assumptions	-	-	-
Difference between expected and actual experience	(400,454)	-	(400,454)
Contributions – employer	-	1,104,251	(1,104,251)
Contributions – employee	-	761,518	(761,518)
Net investment income	-	2,280,994	(2,280,994)
Benefit payments, including refunds of employee contributions	(2,760,766)	(2,760,766)	-
Transfers among employers	(141,998)	(141,998)	-
Net changes	2,206,181	1,243,999	962,182
Balances at September 30, 2020	\$ 52,425,144	\$ 41,679,937	\$ 10,745,207

City of Alexander City
Notes to Financial Statements

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's net pension liability calculated using the discount rate of 7.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	1% Decrease (6.70%)	Current Discount (7.70%)	1% Increase (8.70%)
Plan's Net Pension Liability	\$ 16,660,898	\$ 10,745,207	\$ 5,735,287

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2020. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2020. The auditors' report dated April 30, 2021 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,870,001. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 206,057	\$ 751,112
Changes of assumptions	596,713	-
Net difference between projected and actual earnings on plan investments	1,298,559	-
Employer contributions subsequent to the measurement date	1,128,032	-
Total	\$ 3,229,361	\$ 751,112

Note 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$1,128,032 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the years ending September 30,

2022	\$ 317,513
2023	613,568
2024	502,230
2025	37,705
2026	(120,799)
Thereafter	-
Total	\$ 1,350,217

Note 9: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City provides certain continuing health care and life insurance benefits for its retired employees. The City's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided

Medical benefits are made available to employees upon actual retirement. Medical plan benefits are provided through Local Government Health Insurance Programs (LGHIP), which is administered by the Alabama State Employee Insurance Board. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier I members). Employees hired on and after January 1, 2013 (called "Tier II" members) are eligible to retire only after attainment of age 62 or later completion of 10 years of service. In addition to eligibility to retire under the Alabama State Retirement System (RSA), attainment of age 60 and 10 years of service with the City is required for retiree medical benefits. The employer pays for 25% of the retiree coverage only (not dependents) and is provided only until age 65.

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	301
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Total employees covered by benefit terms	306

Total OPEB Liability

The City's total OPEB liability of \$1,330,780 was measured as of September 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

The total OPEB liability was determined by an actuarial valuation as of October 1, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% annually
Salary increases	4.00% annually
Discount rate	2.21% annually (Beginning of Year to Determine ADC) 2.15%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually (Old Plan Only)
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2021.

**City of Alexander City
Notes to Financial Statements**

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at September 30, 2020	\$ 1,187,020
Changes for the year	
Service cost	70,402
Interest	27,011
Change in assumptions	101,381
Difference between expected and actual experience	(44,933)
Benefit payments and net transfers	(10,101)
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Net changes	143,760
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Balance at September 30, 2021	\$ 1,330,780
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

	1% Decrease (1.15%)	Current Discount (2.15%)	1% Increase (3.15%)
<hr/>			
Total OPEB Liability	\$ 1,522,446	\$ 1,330,780	\$ 1,168,757

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease (4.5%)	Current Discount (5.5%)	1% Increase (6.5%)
<hr/>			
Total OPEB Liability	\$ 1,160,674	\$ 1,330,780	\$ 1,534,505

City of Alexander City
Notes to Financial Statements

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$124,800. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,366	\$ 48,229
Changes of assumptions	206,725	22,392
Total	\$ 228,091	\$ 70,621

The above deferred inflows and outflows of resources are shared between the City and the Business-Type Activities. The City has allocated 33.56%, or \$76,546 of deferred outflows to the Business-Type Activities. The City allocated 33.56% or \$23,701 of deferred inflows to the Business-Type Activities. The allocation is based on the relative share of employer OPEB contributions.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the years ending September 30,

2022		\$ 27,387
2023		27,387
2024		27,387
2025		27,387
2026		11,397
Thereafter		36,525
Total		\$ 157,470

Note 10: POWER SALES CONTRACT

The City is a member of the Alabama Municipal Electric Authority (Authority). Pursuant to a contract dated May 1, 1986 and amended July 1, 1996, the City has agreed to purchase all of its electric requirements for resale through December 31, 2035 from the Authority except for the City's allocation of electricity from the Southeastern Power Administration. The City has committed to maintain electric rates at amounts which will produce revenues sufficient to pay all amounts due under the contract and has pledged the electric revenues and any other revenues of the City which may be lawfully pledged to secure its obligation. Further, the government has entered into a "Guaranty and Indemnity Agreement" with Alabama Power Company which requires the City to pay its proportionate share of any shortfall by the Authority of funds to pay any obligations due under contracts with Alabama Power Company.

Note 11: COMMITMENTS AND CONTINGENCIES

Any amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Management believes such disallowances, if any, will be immaterial.

The City is a party to certain lawsuits in the normal course of business. In the opinion of management, these suits will be defended vigorously, have no merit or are covered by insurance. If the City does not prevail in these suits, it is managements' opinion that the City will incur no material loss related to the final adjudication.

Note 12: RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The government does not have coverage on assets involved in the distribution of water, sewer, gas and electricity (i.e., pipe underground and transmission lines). There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 13: SUBSEQUENT EVENTS

The City has evaluated subsequent events through February 16, 2024 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note 13: SUBSEQUENT EVENTS (Continued)

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. No adjustments have been made to these financial statements as a result of any uncertainties related to the global pandemic.

Note 14: DEFICIT FUND BALANCE/NET POSITION

A deficit unassigned fund balance of \$10,212,461 exists in the General Fund resulting from an operational overspending in the General Fund and insufficient administration fee allocation from the City's enterprise funds. Because of this unassigned deficit, the City's total General Fund balance has a deficit of \$4,854,068 as of September 30, 2021. For the year ending September 30, 2021, expenditures exceeded revenues by \$518,498. The City transferred \$3,651,707 in from enterprise funds to partially offset these deficits in the General Fund. It is expected that an adjustment to the administration fee allocation for general fund services rendered to the enterprise funds will help mitigate the deficit going forward along with active operational budget monitoring by management. These actions commenced in the year ending September 30, 2020 and have continued into the year ending September 30, 2021.

Note 15: NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

- Statement No. 87, Leases – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2022.
- Statement No. 91, Conduit Debt Obligations – This statement will become effective for the City in fiscal year 2022.
- Statement No. 92, Omnibus 2020 – This statement will become effective for the City in fiscal year 2022.
- Statement No. 93, Replacement of Interbank Offered Rates – This statement will become effective for the City in fiscal year 2022.
- Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – This statement will become effective for the City in fiscal year 2023.
- Statement No. 96, Subscription-Based Information Technology Arrangements – This statement will become effective for the City in fiscal year 2023.
- Statement No. 97, Certain Component Unit Criteria – This statement will become effective for the City in fiscal year 2022.

Note 15: NEW PRONOUNCEMENTS (Continued)

- Statement No. 100, Accounting for Changes and Error Corrections – This statement will become effective for the City in fiscal year 2024.
- Statement No. 101, Compensated Absences – This statement will become effective for the City in fiscal year 2024.

The City is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

The City has implemented GASB Statement No. 84, Fiduciary Activities. The implementation of this statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. The implementation of GASB Statement No. 84 had no impact on the financial statements of the City.



REQUIRED SUPPLEMENTARY INFORMATION



City of Alexander City
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual—General Fund

<i>For the year ended September 30, 2021</i>	Original and Final Budget	Actual on the Budgetary Basis*	Variance with Final Budget Positive (Negative)
Revenues			
Sales and use taxes	\$ 10,304,451	\$ 13,228,279	\$ 2,923,828
Property taxes	1,494,500	1,525,820	31,320
Other taxes	1,243,300	1,566,778	323,478
Licenses and permits	2,319,200	2,223,371	(95,829)
Intergovernmental	299,800	1,321,829	1,022,029
Charges for services	3,134,500	3,253,626	119,126
Fines and forfeitures	532,000	569,913	37,913
Interest	8,200	5,000	(3,200)
Other revenues	1,313,865	2,574,584	1,260,719
Total revenues	20,649,816	26,269,200	5,619,384
Expenditures			
General government	5,042,529	6,779,157	(1,736,628)
Public safety	9,225,333	9,548,557	(323,224)
Public works	4,105,533	4,335,769	(230,236)
Sanitation	1,400,447	1,330,224	70,223
Education	1,005,900	1,040,553	(34,653)
Health	184,868	200,941	(16,073)
Culture, recreation and welfare	2,059,018	2,026,957	32,061
Debt service:			
Debt retirement	686,452	792,854	(106,402)
Interest and fiscal agent fees	254,536	255,529	(993)
Capital outlay	120,841	477,157	(356,316)
Total expenditures	24,085,456	26,787,698	(2,702,242)
Excess (deficiency) of revenues over (under) expenditures	(3,435,640)	(518,498)	2,917,142
Other Financing Sources (Uses)			
Transfers in	4,833,740	3,651,707	(1,182,033)
Transfers out	(1,950,000)	(2,862,611)	(912,611)
Sale of fixed assets	-	58,400	58,400
Net other financing sources (uses)	2,883,740	847,496	(2,036,244)
Net change in fund balance	(551,900)	328,998	880,898
Fund balance at beginning of year	(5,183,066)	(5,183,066)	-
Fund balance at end of year	\$ (5,734,966)	\$ (4,854,068)	880,898

* For budgetary purposes, the City includes street paving expenditures along with capital outlay.

See notes to required supplementary information.

City of Alexander City Schedule of Changes in Net Pension Liability As of Measurement Date

<i>As of and for the year ended September 30,</i>	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 1,041,670	\$ 1,061,429	\$ 1,002,112	\$ 1,016,187	\$ 1,021,864	\$ 992,440	\$ 986,615
Interest	3,760,571	3,654,801	3,491,548	3,304,229	3,125,534	2,951,516	2,796,079
Changes in benefit terms	707,158	-	-	-	-	-	-
Differences between expected and actual experience	(400,454)	(571,575)	101,438	326,006	(63,837)	212,870	-
Changes of assumptions	-	-	254,472	-	1,662,939	-	-
Benefit payments, including refunds of employee contributions	(2,760,766)	(2,533,074)	(2,294,948)	(2,230,935)	(2,073,469)	(1,889,734)	(1,789,726)
Transfer among employees	(141,998)	(124,109)	(22,831)	33,537	(28,261)	-	-
Net change in total pension liability	2,206,181	1,487,472	2,531,791	2,449,024	3,644,770	2,267,092	1,992,968
Total pension liability - beginning	50,218,963	48,731,491	46,199,700	43,750,676	40,105,906	37,838,814	35,845,846
Total pension liability - ending (a)	52,425,144	50,218,963	48,731,491	46,199,700	43,750,676	40,105,906	37,838,814
Plan Fiduciary Net Position							
Contributions - employer	1,104,251	1,062,091	942,477	964,886	1,044,934	1,012,224	989,450
Contributions - employee	761,518	747,150	692,903	670,189	683,431	672,566	605,498
Net investment income	2,280,994	1,022,938	3,439,316	4,288,889	3,139,245	365,387	3,328,303
Benefit payments, including refunds of employee contributions	(2,760,766)	(2,533,074)	(2,294,948)	(2,230,935)	(2,073,469)	(1,889,734)	(1,789,726)
Transfers among employers	(141,998)	(124,109)	(22,831)	33,537	(28,261)	(99,813)	(38,130)
Net change in plan fiduciary net position	1,243,999	174,996	2,756,917	3,726,566	2,765,880	60,630	3,095,395
Plan net position at beginning of year	40,435,938	40,260,942	37,504,025	33,777,459	31,011,579	30,950,949	27,855,553
Plan net position at end of year (b)	41,679,937	40,435,938	40,260,942	37,504,025	33,777,459	31,011,579	30,950,948
Net pension liability (asset) at end of year (a) - (b)	\$ 10,745,207	\$ 9,783,025	\$ 8,470,549	\$ 8,695,675	\$ 9,973,217	\$ 9,094,327	\$ 6,887,866
Plan fiduciary net position as a percentage							
of total pension liability	79.50%	80.52%	82.62%	81.18%	77.20%	77.32%	81.80%
Covered payroll *	\$ 13,571,714	\$ 13,124,812	\$ 12,740,562	\$ 12,412,025	\$ 12,360,091	\$ 11,943,039	\$ 11,060,696
Net pension liability as a percentage of covered payroll	79.17%	74.54%	66.48%	70.06%	80.69%	76.15%	62.27%

*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY2021, the measurement period is October 1, 2019 – September 30, 2020.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is available, the City will present information for those years, which are available.

See notes to required supplementary information.

City of Alexander City
Schedule of Employer Pension Contributions
As of Fiscal Year End

September 30,	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,128,032	\$ 1,104,251	\$ 1,073,521	\$ 1,012,341	\$ 970,591	\$ 1,029,820	\$ 1,049,571
Contributions in relation to actuarially determined contribution	1,128,032	1,104,251	1,073,521	1,012,341	970,591	1,029,820	1,049,571
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll *	\$ 14,080,964	\$ 13,571,714	\$ 13,124,812	\$ 12,740,562	\$ 12,412,025	\$ 12,360,091	\$ 11,943,039
Contributions as a percentage of covered payroll	8.01%	8.14%	8.18%	7.95%	7.82%	8.33%	8.79%

*Employer's covered payroll for FY2021 is the total payroll for the 12-month period underlying the financial statement.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is available, the City will present information for those years, which are available.

See notes to required supplementary information.

City of Alexander City
Schedule of Changes in Total OPEB Liability
As of Measurement Date

As of and for year ended September 30,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 70,402	\$ 57,997	\$ 38,965	\$ 39,774
Interest	27,011	28,027	35,270	29,469
Difference between expected and actual experience	(44,933)	(1,573)	37,391	72,336
Change in assumptions	101,381	58,110	122,150	(44,951)
Benefit payments and net transfers	(10,101)	(18,396)	(29,403)	(122,627)
Net changes in total OPEB Liability	143,760	124,165	204,373	(25,999)
Total OPEB liability at beginning of year	1,187,020	1,062,855	858,482	884,481
Total OPEB liability at end of year	\$ 1,330,780	\$ 1,187,020	\$ 1,062,855	\$ 858,482
Covered employee payroll	\$ 12,264,887	\$ 12,979,494	\$ 12,480,282	\$ 12,000,272
Total OPEB liability as a percentage of covered employee payroll	10.85%	9.15%	8.52%	7.15%

*Employer's covered payroll during the measurement period is the total payroll paid to covered employees. For FY2021, the measurement period is October 1, 2020 – September 30, 2021.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is available, the City will present information for those years, which are available.

See notes to required supplementary information.

**City of Alexander City
Schedule of Employer OPEB Contributions
As of Fiscal Year End**

September 30,	2021	2020	2019	2018
Actuarially determined contribution	\$ 151,956	\$ 109,867	\$ 89,702	\$ 88,348
Contributions in relation to actuarially determined contribution	10,101	18,396	29,403	122,627
Contribution deficiency (excess)	\$ 141,855	\$ 91,471	\$ 60,299	\$ (34,279)
Covered payroll *	\$ 12,264,887	\$ 12,979,494	\$ 12,480,282	\$ 12,000,272
Contributions as a percentage of covered payroll	0.08%	0.14%	0.24%	1.02%

* Employer's covered payroll during FY2021 is the total covered payroll for the twelve-month period of the underlying financial statements.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is available, the City will present information for those years, which are available.

See notes to required supplementary information.

City of Alexander City Notes to Required Supplementary Information

Note 1: BUDGETS AND BUDGETARY ACCOUNTING

The City adopts annual budgets for the general, special revenue and capital projects funds (when used) and such budgets are prepared on a basis consistent with generally accepted accounting principles. Any revisions that alter the total expenditures must be approved by the City Council. The budget of the general fund is presented in the statement of revenues, expenditures and changes in fund balance - budget and actual.

Budget information presented in the financial statements is based on the budget as adopted by the City Council on October 5, 2020.

Note 2: SCHEDULE OF CHANGES IN NET PENSION LIABILITY

The total pension liabilities presented in these schedules were provided by the Retirement Systems of Alabama's actuarial consultants, Cavanaugh MacDonald Consulting, LLC. The net pension liability is measured as the total pension liability less the components of the plan net position reserved to fund the total pension liability. Those components are annuity savings and pension accumulation. The related ratios show plan net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Note 3: SCHEDULE OF EMPLOYER PENSION PLAN CONTRIBUTIONS

Contributions were made in accordance with actuarially determined contribution requirements. The employer contribution rate expressed as a percent of payroll is determined annually by reviewing a variety of factors including benefits promised, member contributions, investment earnings, mortality, and withdrawal experience. The City's employer contribution rates for fiscal year ended September 30, 2021 were 9.36% for Tier 1 employees (hired before January 1, 2013) and 6.20% for Tier 2 employees (hired after January 1, 2013).

Note 4: SCHEDULE OF CHANGES IN NET OPEB LIABILITY

The net OPEB liability presented in these schedules were provided by the City's actuarial consultants, Fontenot Benefits and Actuarial Consulting. The net OPEB liability is measured as the total OPEB liability less the components of the plan net position reserved to fund the total OPEB liability. The related ratios show plan net position as a percentage of the total OPEB liability and the net OPEB liability as a percentage of employee covered payroll.

City of Alexander City
Notes to Required Supplementary Information

Note 5: SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

There were no contributions to the plan outside of employer-paid retiree premiums for the year ended September 30, 2021.

Note 6: ACTUARIAL ASSUMPTIONS – PENSION PLAN

Actuarially determined contribution rates in the schedules of employer contributions are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year 2021 were based on the September 30, 2018 actuarial valuation.

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in the schedules for Governmental and Business-Type Activities:

Actuarial Cost Method	Entry age
Amortization Method	Level percent closed
Remaining Amortization Period	18.8 years
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Investment Rate of Return	7.70%, net of pension plan investments, including inflation
Projected Salary Increases	3.25%-5.00%, including inflation

City of Alexander City
Notes to Required Supplementary Information

Note 7: ACTUARIAL ASSUMPTIONS – OPEB

Valuation date	October 1, 2020
Prior measurement date	September 30, 2020
Measurement date	September 30, 2021
	Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.0% annually
Healthcare trend	5.5% annually until year 2030, then 4.5%
Salary increases	3.0% annually
Prior Discount rate	2.21%
Discount rate	2.15% annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Retirement age	Retirement is assumed to occur when eligible and after 30 years of service.
Mortality	SOA RP-2014 Combined Mortality Table
Turnover	Age specific table with an average of 9% when applied to the active census.

Age	Rate of Turnover
18 to 26	20%
26 to 41	12%
41 to 55	8%
55 and over	6%

Medical Claim Cost	Annual Cost/Member	
Pre-Medicare claim cost	\$	12,936
Medicare claim cost	100%	\$ 2,376

Implied Retire Subsidy Factors	Age	Male	Female
	50 to 54	100%	100%
	55 to 59	100%	100%
	60 to 64	100%	100%

City of Alexander City
Notes to Required Supplementary Information

Note 7: ACTUARIAL ASSUMPTIONS – OPEB (Continued)

Benefit Changes

There were no benefit changes.

Changes of Assumptions

	2021	2020	2019	2018
Discount rate:	2.15%	2.21%	2.66%	4.18%
Mortality:	RP-2014	RP-2000	RP-2000	RP-2000
Trend:	Variable	5.5%	5.5%	5.5%



SUPPLEMENTARY INFORMATION



**City of Alexander City
Combining Balance Sheets—
Nonmajor Governmental Funds**

<i>September 30, 2021</i>	Special Revenue Street Maintenance Gasoline Tax Fund	Capital Projects Fund	Total
Assets			
Cash and cash equivalents	\$ 151,951	\$ -	\$ 151,951
Restricted cash and cash equivalents	410,496	-	410,496
Receivables	29,445	-	29,445
Total assets	\$ 591,892	\$ -	\$ 591,892
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ 8,547	\$ 8,547
Total liabilities	-	8,547	8,547
Fund Balance			
Restricted for			
Road improvements	591,892	-	591,892
Unassigned	-	(8,547)	(8,547)
Total fund balance	591,892	(8,547)	583,345
Total liabilities and fund balance	\$ 591,892	\$ -	\$ 591,892

**City of Alexander City
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances—Nonmajor Governmental Funds**

<i>September 30, 2021</i>	Special Revenue Street Maintenance Gasoline Tax Fund	Capital Projects Fund	Total
Revenues			
Other taxes	\$ 304,822	\$ -	\$ 304,822
Interest	527	-	527
Total revenues	305,349	-	305,349
Expenditures			
General government	-	47,292	47,292
Public works	11,498	-	11,498
Capital outlay	-	2,347,005	2,347,005
Total expenditures	11,498	2,394,297	2,405,795
Excess (deficiency) of revenues over (under) expenditures	293,851	(2,394,297)	(2,100,446)
Other Financing Sources (Uses)			
Transfers in	-	2,112,611	2,112,611
Total other financing sources (uses)	-	2,112,611	2,112,611
Net change in fund balance	293,851	(281,686)	12,165
Fund balance at beginning of year	298,041	273,139	571,180
Fund balance at end of year	\$ 591,892	\$ (8,547)	\$ 583,345