CITY OF ROBERTSDALE, ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF ROBERTSDALE, ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditors' Report	1-3
BASIC FINANCIAL STATEMENTS	
Government – Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Fund Financial Statements	
Fund Balance Sheets	6
Reconciliation of Governmental Fund Balances to Net Position of Governmental Activities	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Proprietary Fund Financial Statements	
Statement of Net Position	10-11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to the Financial Statements	15-40
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	41
Note to Required Supplementary Information	42
Schedule of Employer Contributions	43
Schedule of Changes in the Net Pension Liability	44
OTHER INFORMATION	
Additional Information Required by Bond Indentures	45-46
COMPLIANCE SECTION	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	47-48

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Robertsdale, Alabama

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Robertsdale, Alabama, as of September 30, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Robertsdale, Alabama, as of September 30, 2023, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Robertsdale, Alabama, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedules of employer contributions, and schedules of the changes in the net pension liability on pages 41 - 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Robertsdale, Alabama's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the City of Robertsdale, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Robertsdale, Alabama's internal control over financial reporting and compliance.

Avizo Group, Inc.

Certified Public Accountants

February 28, 2024
Fairhope, Alabama

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,547,033	$ 7,158,446	$ 8,705,479
Investments	163,708	1,583,010	1,746,718
Receivables, net	592,744	1,823,230	2,415,974
Prepaid expenses	-	63,860	63,860
Inventories	-	1,313,671	1,313,671
Other assets	11,388	11,982	23,370
Capital assets, net	15,955,379	21,801,470	37,756,849
Intangible right-to-use asset, net	21,801	-	21,801
Total assets	18,292,053	33,755,669	52,047,722
DEFERRED OUTFLOWS OF RESOURCES	2,386,512	1,834,380	4,220,892
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 20,678,565	$ 35,590,049	$ 56,268,614
LIABILITIES			
Accounts payable and accrued expenses	$ 431,161	$ 184,564	$ 615,725
Customer deposits	-	888,105	888,105
Long-term liabilities			
Due within one year:			
Capital leases payable	79,541	-	79,541
Bonds and notes payable	400,532	874,898	1,275,430
Due in more than one year:			
Capital leases payable	1,683,304	-	1,683,304
Bonds and notes payable	4,938,554	13,153,549	18,092,103
Intangible right-to-use lease liability	23,004	-	23,004
Net pension liability	4,930,601	3,212,858	8,143,459
Total liabilities	12,486,697	18,313,974	30,800,671
DEFERRED INFLOWS OF RESOURCES	428,894	115,290	544,184
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,915,591	18,429,264	31,344,855
NET POSITION			
Net investment in capital assets	8,908,601	8,041,865	16,950,466
Restricted for:			
Debt service	163,708	1,583,010	1,746,718
Road construction and maintenance	185,446	-	185,446
Capital improvements	273,830	116,581	390,411
Fire department	561,864	-	561,864
Unrestricted	(2,330,475)	7,419,329	5,088,854
Total net position	7,762,974	17,160,785	24,923,759
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 20,678,565	$ 35,590,049	$ 56,268,614

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General	$ 1,025,191	$ 1,228,743	$ 181,586	$ 92,985	$ 478,123		$ 478,123
Police	3,851,688	223,463	-	-	(3,628,225)		(3,628,225)
Fire	432,528	306,458	-	-	(126,070)		(126,070)
Street	972,194	-	-	-	(972,194)		(972,194)
Shop	139,139	-	-	-	(139,139)		(139,139)
Senior Citizens' Center	203,941	-	-	-	(203,941)		(203,941)
Recreation	760,482	-	-	-	(760,482)		(760,482)
Public Library	522,561	90,346	-	-	(432,215)		(432,215)
Municipal court	291,805	168,559	-	-	(123,246)		(123,246)
Landscape	313,260	-	-	-	(313,260)		(313,260)
Animal control	110,693	-	-	-	(110,693)		(110,693)
Engineering, building, planning, and zoning	365,832	-	-	-	(365,832)		(365,832)
PZK Civic Center	49,151	-	-	-	(49,151)		(49,151)
Coliseum	350,708	-	-	-	(350,708)		(350,708)
Interest on long term debt	244,949	-	-	-	(244,949)		(244,949)
Total governmental activities	9,634,122	2,017,569	181,586	92,985	(7,341,982)		(7,341,982)
Business-type activities							
Electric	7,726,003	10,741,700	-	-	-	$ 3,015,697	3,015,697
Public Building Authority	63,309	26,659	-	-	-	(36,650)	(36,650)
Water Fund	1,796,944	1,967,970	2,506	-	-	173,532	173,532
Sewer Fund	2,030,608	2,231,085	2,253	-	-	202,730	202,730
Sanitation Fund	908,125	588,165	-	-	-	(319,960)	(319,960)
Natural Gas Fund	260,523	151,185	-	-	-	(109,338)	(109,338)
Total business-type activities	12,785,512	15,706,764	4,759	-	-	2,926,011	2,926,011
Total government	$ 22,419,634	$ 17,724,333	$ 186,345	$ 92,985	(7,341,982)	2,926,011	(4,415,971)
General Revenues:							
Taxes:							
Sales					5,569,938	-	5,569,938
Property					419,779	-	419,779
Liquor and tobacco					411,126	-	411,126
Intergovernmental					159,773	-	159,773
Investment earnings					148,547	-	148,547
Other					950,629	-	950,629
Transfers					1,090,826	(1,090,826)	-
Total general revenues and transfers					8,750,618	(1,090,826)	7,659,792
Change in net position					1,408,636	1,835,185	3,243,821
Net position, beginning					6,354,338	15,325,600	21,679,938
Net position, ending					$ 7,762,974	$ 17,160,785	$ 24,923,759

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

FUND BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds		Nonmajor Funds	
	General	Debt Service	Special Revenue	Total
ASSETS				
Cash	$ 525,892	$ -	$ 1,021,140	$ 1,547,032
Investments	-	163,708	-	163,708
Receivables				
Taxes	210,226	-	-	210,226
Lease	382,518	-	-	382,518
Other assets	11,388	-	-	11,388
TOTAL ASSETS	$ 1,130,024	$ 163,708	$ 1,021,140	$ 2,314,872
LIABILITIES				
Accounts payable, trade	$ 31,678	$ -	$ -	$ 31,678
Accrued payroll taxes and retirement	303,730	-	-	303,730
Appearance bonds	19,779	-	-	19,779
Total liabilities	355,187	-	-	355,187
DEFERRED INFLOWS OF RESOURCES	382,518	-	-	382,518
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	737,705	-	-	737,705
FUND BALANCES				
Restricted for:				
Debt service	-	163,708	-	163,708
Construction and road maintenance	-	-	185,446	185,446
Capital improvements	-	-	273,830	273,830
Fire Department	-	-	561,864	561,864
Unassigned	392,319	-	-	392,319
TOTAL FUND BALANCES	392,319	163,708	1,021,140	1,577,167
TOTAL LIABILITIES AND FUND BALANCES	$ 1,130,024	$ 163,708	$ 1,021,140	$ 2,314,872

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2023

Fund balances as reported on page 6	$	1,577,167
Net Position reported for governmental activities in the Statement of Net Position (page 4) are different from Fund Balances for governmental activities because:		
Capital assets used in governmental activities are financial resources and therefore are not reported in fund financial statements		30,551,825
Depreciation is provided for the above capital assets in government-wide reporting, but is not in fund financial statements.		(14,596,446)
Intangible right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Right-to-use assets at historical cost		38,151
Accumulated amortization		(16,350)
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred Outflow of Resources as related to GASB Statement No. 68		2,331,358
Deferred loss on defeasance of debt		55,154
Long-term liabilities, including warrants payable, capital lease obligations and notes payable are not due and payable in the current period and therefore are not reported in fund financial statements.		
Warrants and notes payable		(5,401,186)
Capital leases payable		(1,762,845)
Intangible right-to-use lease liability		(23,004)
Net Pension Liability		(4,930,601)
Other liabilities used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred Inflow of Resources as related to GASB Statement No. 68		(46,376)
Accrued interest on long-term debt is not due and payable in the current period and therefore not included in fund financial statements.		(75,973)
Bond discounts and premiums are amortized for government-wide reporting but not for fund financial statements.		62,100
Net Position of Governmental Activities as reported on page 4	$	7,762,974

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds		Nonmajor Funds	
REVENUES	General	Debt Service	Special Revenue	Total
Local taxes	$ 6,400,843	$ -	$ -	$ 6,400,843
Licenses and permits	1,226,598	-	-	1,226,598
Fines and forfeitures	168,559	-	-	168,559
Grants	274,572	-	402,271	676,843
Charges for services	223,463	-	-	223,463
Other revenues	1,011,661	-	137,418	1,149,079
Total revenues	9,305,696	-	539,689	9,845,385
EXPENDITURES				
General government	952,209	-	-	952,209
Police department	3,461,149	-	-	3,461,149
Fire department	180,374	-	-	180,374
Street department	579,730	-	-	579,730
Shop	129,407	-	-	129,407
Recreation department	597,958	-	-	597,958
Public library	489,178	-	-	489,178
Municipal court	275,813	-	-	275,813
Landscape department	298,832	-	-	298,832
Animal control	102,861	-	-	102,861
Senior Citizens' Center	184,332	-	-	184,332
PZK Civic Center	29,416	-	-	29,416
Coliseum	350,708	-	-	350,708
Engineering, building, planning, and zoning	335,343	-	-	335,343
Capital outlay	2,272,333	-	-	2,272,333
Debt service payments				
Principal	210,061	375,000	-	585,061
Interest	64,030	181,158	-	245,188
Total expenditures	10,513,734	556,158	-	11,069,892
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,208,038)	(556,158)	539,689	(1,224,507)
OTHER FINANCIAL SOURCES (USES)				
Transfers in (out)	874,335	557,863	(341,372)	1,090,826
Total other financial sources (uses)	874,335	557,863	(341,372)	1,090,826
Net change in fund balances	(333,703)	1,705	198,317	(133,681)
Fund balances at beginning of year	726,022	162,003	822,823	1,710,848
FUND BALANCES AT END OF YEAR	$ 392,319	$ 163,708	$ 1,021,140	$ 1,577,167

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds, page 8	$ (133,681)
Amounts reported for governmental activities in the Statement of Activities (Page 5) are different from the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital outlays for the year	2,272,333
Donations of land	104,400
Depreciation expense for the year	(930,340)
Bond and other debts proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal payments on long term debt	389,776
Principal payments on capital leases	195,285
Bond discounts are reported as current financial uses to governmental funds while governmental activities amortize them over the life of the debt	
Amortization expense for the year	(27,352)
Some expenditures reported in governmental funds are to be paid on a long-term basis and therefore are not reported as expenses in the Statement of Activities	
Accrued interest	2,385
Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds.	
Retirement expense	(464,170)
Change in Net Position of Governmental Activities, page 5	$ 1,408,636

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

ASSETS

	Major Funds					Nonmajor Fund	
	Electric Fund	Public Building Authority	Water Fund	Sewer Fund	Sanitation Fund	Natural Gas Fund	Total
CURRENT ASSETS							
Cash	$ 7,041,865	$ -	$ -	$ -	$ -	$ -	$ 7,041,865
Restricted cash	-	-	116,581	-	-	-	116,581
Investments	655,096	-	371,497	556,417	-	-	1,583,010
Receivables	1,672,907	-	40,754	-	-	519	1,714,180
Lease receivables	-	68,990	-	40,060	-	-	109,050
Prepaid expenses	63,860	-	-	-	-	-	63,860
Material and supply inventory (at cost)	1,118,529	-	155,534	13,718	5,520	20,370	1,313,671
Total current assets	10,552,257	68,990	684,366	610,195	5,520	20,889	11,942,217
PROPERTY, PLANT AND EQUIPMENT							
Land, land rights and construction in progress	108,318	-	1,467,616	621,754	-	40,198	2,237,886
Buildings and improvements	127,441	1,666,251	5,626,554	35,641	-	-	7,455,887
Vehicles and equipment	2,060,409	-	986,488	1,567,703	1,527,332	50,391	6,192,323
Plant and distribution system	11,811,517	-	9,818,361	10,271,708	-	239,908	32,141,494
	14,107,685	1,666,251	17,899,019	12,496,806	1,527,332	330,497	48,027,590
Accumulated depreciation	(9,210,526)	(1,494,105)	(5,416,528)	(8,459,120)	(1,373,939)	(271,902)	(26,226,120)
Property, plant and equipment – net	4,897,159	172,146	12,482,491	4,037,686	153,393	58,595	21,801,470
OTHER ASSETS	5,991	-	1,997	999	-	2,995	11,982
TOTAL ASSETS	15,455,407	241,136	13,168,854	4,648,880	158,913	82,479	33,755,669
DEFERRED OUTFLOWS OF RESOURCES	605,451	-	468,642	540,027	159,528	60,732	1,834,380
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 16,060,858	$ 241,136	$ 13,637,496	$ 5,188,907	$ 318,441	$ 143,211	$ 35,590,049

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

LIABILITIES AND NET POSITION

	Major Funds					Nonmajor Fund	
	Electric Fund	Public Building Authority	Water Fund	Sewer Fund	Sanitation Fund	Natural Gas Fund	Total
CURRENT LIABILITIES							
Accounts payable, trade	$ 17,508	$ -	$ -	$ 338	$ -	$ -	$ 17,846
Retirement payable	4,879	-	2,605	2,454	-	944	10,882
Accrued interest payable	73,368	-	35,874	46,594	-	-	155,836
Customer utility deposits	888,105	-	-	-	-	-	888,105
Revenue Warrants current portion	275,800	-	304,342	264,600	-	-	844,742
Notes payable current portion	-	-	-	-	30,156	-	30,156
Total current liabilities	1,259,660	-	342,821	313,986	30,156	944	1,947,567
LONG TERM LIABILITIES							
Noncurrent portion of Revenue Warrants							
2015 Series	3,770,169	-	389,038	1,581,593	-	-	5,740,800
2018 Series	263,310	-	157,986	631,943	-	-	1,053,239
2014 Series	-	-	810,751	540,502	-	-	1,351,253
2020-DWSRF-DL Series	-	-	1,270,000	-	-	-	1,270,000
2020 Series	-	-	3,738,257	-	-	-	3,738,257
Net pension liability	1,194,183	-	663,228	927,561	296,161	131,725	3,212,858
Total long term liabilities	5,227,662	-	7,029,260	3,681,599	296,161	131,725	16,366,407
TOTAL LIABILITIES	6,487,322	-	7,372,081	3,995,585	326,317	132,669	18,313,974
DEFERRED INFLOWS OF RESOURCES	88	68,990	-	45,219	-	993	115,290
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	6,487,410	68,990	7,372,081	4,040,804	326,317	133,662	18,429,264
NET POSITION							
Net investment in capital assets	631,332	172,146	5,952,924	1,103,631	123,237	58,595	8,041,865
Restricted for debt service	655,096	-	371,497	556,417	-	-	1,583,010
Restricted for capital improvements	-	-	116,581	-	-	-	116,581
Unrestricted	8,287,020	-	(175,587)	(511,945)	(131,113)	(49,046)	7,419,329
Total net position	9,573,448	172,146	6,265,415	1,148,103	(7,876)	9,549	17,160,785
TOTAL LIABILITIES AND NET POSITION	$ 16,060,858	$ 241,136	$ 13,637,496	$ 5,188,907	$ 318,441	$ 143,211	$ 35,590,049

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds					Nonmajor Fund	
	Electric Fund	Public Building Authority	Water Fund	Sewer Fund	Sanitation Fund	Natural Gas Fund	Totals
OPERATING REVENUES							
Utility services	$ 9,722,292	$ -	$ 1,962,655	$ 2,201,390	$ 588,165	$ 151,185	$ 14,625,687
Other	1,019,408	26,659	5,315	29,695	-	-	1,081,077
Total operating revenues	10,741,700	26,659	1,967,970	2,231,085	588,165	151,185	15,706,764
OPERATING EXPENSES							
Purchased power and natural gas	4,788,260	-	-	-	-	75,407	4,863,667
Depreciation and amortization	320,065	66,650	372,389	331,905	60,061	2,936	1,154,006
Operating, maintenance and administrative salaries	891,853	-	539,839	734,501	338,812	91,129	2,596,134
Plant operation and maintenance	514,875	-	368,754	268,540	46,565	5,030	1,203,764
Vehicles and equipment expenses	112,762	-	45,198	98,705	113,258	2,434	372,357
Payroll taxes	66,494	-	40,454	54,526	25,095	6,786	193,355
Employees' retirement	188,580	-	113,436	158,207	62,987	20,157	543,367
Insurance	172,233	-	90,346	142,550	107,903	15,661	528,693
Professional fees	55,111	-	-	21,000	-	-	76,111
All other operating expenses	485,673	-	122,041	143,263	150,859	40,983	942,819
Total operating expenses	7,595,906	66,650	1,692,457	1,953,197	905,540	260,523	12,474,273
INCOME (LOSS) FROM OPERATIONS	3,145,794	(39,991)	275,513	277,888	(317,375)	(109,338)	3,232,491
OTHER INCOME (EXPENSES)							
Grant proceeds	-	-	2,506	2,253	-	-	4,759
Interest expense	(130,097)	-	(104,487)	(79,514)	(2,585)	-	(316,683)
Interest income	-	3,341	-	2,103	-	-	5,444
Operating transfers in (out)	(1,934,223)	(30,000)	731,785	(248,458)	255,500	134,570	(1,090,826)
Total other income (expenses)	(2,064,320)	(26,659)	629,804	(323,616)	252,915	134,570	(1,397,306)
CHANGE IN NET POSITION	1,081,474	(66,650)	905,317	(45,728)	(64,460)	25,232	1,835,185
Net position, beginning of year	8,491,974	238,796	5,360,098	1,193,831	56,584	(15,683)	15,325,600
NET POSITION, END OF YEAR	$ 9,573,448	$ 172,146	$ 6,265,415	$ 1,148,103	$ (7,876)	$ 9,549	$ 17,160,785

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds					Nonmajor Fund	
	Electric Fund	Public Building Authority	Water Fund	Sewer Fund	Sanitation Fund	Natural Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Received from customers	$ 10,700,249	$ 26,659	$ 1,967,970	$ 2,231,085	$ 588,165	$ 151,185	$ 15,665,313
Paid to suppliers for goods and services	(6,420,079)	-	(660,618)	(839,733)	(463,745)	(154,676)	(8,538,851)
Paid to personnel for services	(891,853)	-	(539,839)	(734,501)	(338,812)	(91,130)	(2,596,135)
Net cash provided (used) by operating activities	3,388,317	26,659	767,513	656,851	(214,392)	(94,621)	4,530,327
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest earned	-	3,341	-	2,103	-	-	5,444
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from bonds/note payable	-	-	3,783,000	-	-	-	3,783,000
Proceeds from grant	-	-	2,506	2,253	-	-	4,759
Repayment of notes payable	-	-	-	-	(38,523)	-	(38,523)
Repayment of bonds	(256,000)	-	(4,037,500)	(254,500)	-	-	(4,548,000)
Interest paid	(137,034)	-	(110,876)	(86,247)	(2,585)	-	(336,742)
Purchase of property, plant and equipment	(460,631)	-	(2,151,769)	(64,167)	-	(39,949)	(2,716,516)
Net cash (used) by capital and related financing activities	(853,665)	-	(2,514,639)	(402,661)	(41,108)	(39,949)	(3,852,022)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES							
Change in investments	(13,433)	-	(4,257)	(7,835)	-	-	(25,525)
Transfers in (out)	(1,934,223)	(30,000)	731,785	(248,458)	255,500	134,570	(1,090,826)
Net cash provided (used) by noncapital and related financing activities	(1,947,656)	(30,000)	727,528	(256,293)	255,500	134,570	(1,116,351)
INCREASE (DECREASE) IN CASH	586,996	-	(1,019,598)	-	-	-	(432,602)
Cash – beginning of year	6,454,869	-	1,136,179	-	-	-	7,591,048
CASH – END OF YEAR	$ 7,041,865	$ -	$ 116,581	$ -	$ -	$ -	$ 7,158,446

See independent auditors' report and notes to the financial statements

CITY OF ROBERTSDALE, ALABAMA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds					Nonmajor Fund	
	Electric Fund	Public Building Authority	Water Fund	Sewer Fund	Sanitation Fund	Natural Gas Fund	Total
Reconciliation of operating income to net cash provided (used) by operating activities							
Income (loss) from operations	$ 3,145,794	$ (39,991)	$ 275,513	$ 277,888	$ (317,375)	$ (109,338)	$ 3,232,491
Adjustments to reconcile income from operations to net cash provided (used) by operating activities							
Depreciation	326,270	66,650	359,642	323,070	60,061	2,936	1,138,629
Amortization	(6,204)	-	12,746	8,835	-	-	15,377
Change in pension expense as related to GASB 68	107,898	-	64,864	91,350	35,621	11,694	311,427
Change in lease inflows of resources	-	(26,659)	-	(22,726)	-	-	(49,385)
Change in current assets and liabilities							
Decrease (increase) in accounts receivable	(79,328)	-	-	-	-	-	(79,328)
Decrease (increase) in lease receivable	-	26,659	-	22,726	-	-	49,385
Decrease (increase) in prepaid expenses	35,094	-	-	-	-	-	35,094
Decrease (increase) in inventories	(179,531)	-	54,748	(7,215)	7,301	87	(124,610)
Increase (decrease) in accounts payable	447	-	-	(37,077)	-	-	(36,630)
Increase (decrease) in utility deposits	37,877	-	-	-	-	-	37,877
Net cash provided (used) by operating activities	$ 3,388,317	$ 26,659	$ 767,513	$ 656,851	$ (214,392)	$ (94,621)	$ 4,530,327

See independent auditors' report and notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

CITY OF ROBERTSDALE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Robertsdale, Alabama (the City) was incorporated in January 1921. The City operates under a Mayor – Council form of government chosen at large every four years.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to municipal governments. The following is a summary of the more significant accounting policies.

A. REPORTING ENTITY

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States of America as specified by the Governmental Accounting Standards Board (GASB). In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.* This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. The Statement was developed to make annual reports easier to understand and more useful to the people who use government financial information to make decisions.

The criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, this report includes financial statements of the funds and account groups required to account for those financial activities for which the City has the ability to influence and control through its legislative processes and/or with which special financing relationships exist.

Component Units

Robertsdale Volunteer Fire Department – The City has full custody of the bank account and all assets of the Fire Department and therefore presents it as a blended component unit. The City provides a significant portion of the annual operating funds of the Fire Department. The Fire Department does not issue separate financial statements.

These financial statements do not include the Medical Clinic Board and the Industrial Development Board. City management does not exert significant influence or control and does not, except to the extent disclosed herein, guarantee any of their outstanding debts.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND LEVEL

Government-wide

The basic financial statements include government-wide and fund financial statements. The previous reporting model emphasized fund types, while the new model focuses on the City as a whole and major funds. Government-wide and fund financial statements categorize primary activities as governmental or business type. In the Statement of Net Position, governmental and business-type activities (a) are presented on a consolidated basis, and (b) reflect full accrual accounting, which incorporates long-term assets and receivables as well as long-term debt and

(continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

obligations. Receivables and payables between activities are eliminated in the government-wide presentation through the caption "Internal Balances" on the Statement of Net Position.

The Statement of Activities reflects both the gross and net cost per functional category (public works, police, fire, etc.) which are otherwise being supported by general government revenues (taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses, including depreciation, by related program revenues. The program revenues must be directly associated with a function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Level

The governmental fund level financial statements are presented on a current financial resource and modified accrual basis of accounting. Since governmental fund level financial statements are presented on a different basis of accounting and measurement focus than governmental activities in the government-wide presentation, a summary is presented to explain adjustments necessary to reconcile fund level statements to the government-wide presentation.

The accounts of the City are organized on the basis of funds which are each considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into broad fund categories as follows:

Governmental Funds:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Special Revenue Fund – The Special Revenue Fund is an operating fund for which the use of revenues is restricted or designated by outside sources.

Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on general long-term debt not accounted for in the proprietary funds. Debt Service revenues are principally transfers from the General Fund.

Capital Project Fund – Capital Project Funds are used to account for the financial resources designated to construct major improvements other than those financed by special assessments.

Proprietary Funds:

The Electric Fund, Natural Gas Fund, Water Fund and Sewer Fund, which are enterprise funds, are used to account for the operations of the utilities, related debt, property, plant and

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

equipment. The City of Robertsdale, Alabama incorporated the Public Building Authority, also an enterprise fund, as a public corporation and an agency of the City. The Authority's purpose is to acquire and develop projects that are in the best interest of the City. The Authority is a blended component unit due to City oversight and financial responsibility.

Enterprise funds are used to account for operations which are financed or operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Operating revenues, shown for proprietary operations, generally result from producing or providing goods and services. Operating expenses include all costs related to providing services or products. All other revenues or expenses not meeting these criteria are reported as non-operating income or expenses.

C. CAPITAL ASSETS

The accounting treatment over capital assets depends on whether the assets are used by governmental funds or proprietary funds and fund level or government-wide reporting.

In government-wide reporting, all capital assets are reported as capital assets for both governmental-type and business-type activities. The City has not established a minimum capitalization threshold at this time. Depreciation is provided on all capital assets at the government-wide level.

In fund level reporting, capital assets are reported as expenditures by governmental funds, while they remain capital assets in proprietary funds. Depreciation is provided, only, in proprietary funds at the fund level.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation is allocated as an expense in the Statement of Activities (government-wide level) and accumulated depreciation is reflected in the Statement of Net Position (government-wide level). Depreciation has been provided over the estimated useful lives using the straight line rates as follows:

Buildings	40 years
Electric and gas plants	25 – 40 years
Water and sewer system	20 – 40 years
Vehicles	5 years
Other equipment	5 – 10 years

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual that is when they become both "measurable" and "available" to finance expenditures of the current period. The City uses a 60-day availability period except for FEMA disaster recovery grants which are recognized using a 12-month availability period.

Taxes collected by an intermediary are considered "measurable" when in the hand of the intermediary collecting governments and may be recognized as revenue at that time. Expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred. Revenues susceptible to accrual are those federal financial assistance programs which are measurable and available to finance expenditures of the current period.

The proprietary fund financial statements are presented on the accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.*

E. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Recently Issued Accounting Principles

GASB Statement 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) note disclosures regarding a SBITA. The requirements of GASB Statement No. 96 are effective for the fiscal year 2023. The City implemented GASB 96 in fiscal year 2023 with no significant impact to its financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, was issued to define *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes, along with the accounting, reporting, and disclosures relating to these changes. The requirements of GASB Statement No. 100 are effective for the fiscal year 2024. The City is currently evaluating the impact that this statement may have on its financial statements.

GASB Statement No. 101, *Compensated Absence,* requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of GASB Statement No. 101 are effective for the fiscal year 2025. The City is currently evaluating the impact that this statement may have on its financial statements.

F. RECEIVABLES FROM UTILITY CUSTOMERS

The Electric Fund purchases, at face value, the utility receivables of the Natural Gas Fund, Water Works and the Sewer Fund. Purchase is made at the time customers are billed.

G. INVENTORIES

Proprietary fund inventories are valued at the lower of cost (first-in, first-out) or market, and consist largely of items to be used to construct and maintain the utility plan.

Governmental fund inventories are maintained on a purchase method of accounting where items are purchased and charged to the budgetary accounts upon receipt. Year-end balances are not significant in governmental funds.

H. DEBT ISSUE COST

Issuance expenses on long term debt of proprietary funds are expensed as incurred in accordance with GASB Statement No. 65. In the fund financial statements, bond discounts, premiums, and issuance costs are treated as period costs in the year issued. In the government-wide financial statements, bond discounts and premiums are deferred and amortized over the term of the bonds using the bonds outstanding method. Bond discounts and premiums are presented as a reduction or addition to the face amount of the bonds payable whereas issuance costs are expensed as incurred. Deferred losses associated with the issuance of long-term debt are presented as Deferred Outflows of Resources and are amortized on the straight-line method over the term of the bond.

(continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. PROPERTY TAX

All ad valorem taxes levied by the state, county, and any municipality in Baldwin County are assessed and collected by the Revenue Commissioner of Baldwin County. The Baldwin County property tax calendar requires the Revenue Commissioner to assess and attach taxes as enforceable liens on property as of September 30 and taxes are due October 1 through December 31. Property taxes not paid by January 1 are considered as delinquent. Tax collections received by the County Revenue Commissioner are remitted to the City monthly. In accordance with implementation of GASB Statement No. 33, revenue is recorded based upon taxes assessed and considered available. Any taxes not considered available are recorded as deferred revenue.

J. CASH AND CASH EQUIVELANTS

For purposes of the statements of cash flows, the proprietary funds consider all highly liquid investments, including certificates of deposit to be cash equivalents.

K. USE OF ESTIMATES

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

L. NET POSITION AND EQUITY CLASSIFICATIONS

Government-wide Financial Statements
Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt of deferred inflows of resources attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of the related debt. Rather, that portion of the debt or deferred inflows of resources is included in the same net position as the unspent proceeds.

(continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Financial Statements

The fund equity of the governmental fund financial statements is classified as fund balance. Fund balance is classified into one of the following four components:

- Restricted fund balance – Consists of fund balances with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations.
- Committed fund balance – Consists of fund balances that are useable only for specific purposes by formal action of the government's highest level of decision making authority. The City's highest level of decision making lies with the Mayor of the City and the City Council. In order to establish, modify, or rescind a fund balance commitment, the Mayor and City Council must pass a law by formal action committing the funds.
- Assigned fund balance – Consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself, or (2) a subordinate high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The Mayor and the City Council have the power to assign fund balance amounts to specific purposes. The governing body must vote to grant authorization of assigned fund balances to specific purposes.
- Unassigned fund balances – All other fund balances that do not meet the definition of "restricted, committed, or assigned fund balances."

The City considers restricted fund balances to have been spent when both restricted and unrestricted fund balances are available. Also, the City considers assigned and committed fund balances to have been spent when unassigned or unrestricted amounts are available.

(continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources consist of the following at September 30, 2023:

	Governmental Activities	Business-type Activities
Deferred outflows of resources as related to the net pension liability	$ 2,331,358	$ 1,565,538
Deferred loss on defeasance of debt	55,154	268,842
	$ 2,386,512	$ 1,834,380

N. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consist of the following at September 30, 2023:

	Governmental Activities	Business-type Activities
Deferred inflows of resources as related to the net pension liability	$ 46,376	$ 6,240
Deferred lease inflows	382,518	109,050
	$ 428,894	$ 115,290

O. REVENUES, EXPENDITURES, AND EXPENSES

Substantially, all governmental fund revenues (including sales taxes, franchise fees, and licenses) are accrued. In addition, revenue from federal and state reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal ongoing operation (e.g., electric, water, sewer, sanitation, public building authority, and natural gas). The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses for these operations include all costs related to providing the service. These costs include salaries, contractual services, depreciation, and administrative expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred.

CITY OF ROBERTSDALE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 2 CAPITAL ASSETS

Changes in capital assets during the fiscal year were as follows:

Governmental Activities	Balance 10/1/22	Additions	Reclassifications/ Retirements	Balance 9/30/23
Capital assets not subject to depreciation				
Land	$ 1,520,044	$ 1,106,012	$ -	$ 2,626,056
Construction in progress	175,764	794,643	-	970,407
Total	1,695,808	1,900,655	-	3,596,463
Capital assets subject to depreciation				
Buildings and structures	14,162,197	33,350	-	14,195,547
Vehicles and equipment	8,472,914	293,311	(142,250)	8,623,975
Recreational facilities	3,986,423	149,417	-	4,135,840
Total	26,621,534	476,078	(142,250)	26,955,362
Less accumulated depreciation	(13,808,356)	(930,340)	142,250	(14,596,446)
Total depreciable capital assets, net	12,813,178	(454,262)	-	12,358,916
Intangible right-to-use assets				
Leased equipment	38,151	-	-	38,151
Less accumulated amortization	(8,175)	(8,175)	-	(16,350)
Net intangible right-to-use assets	29,976	(8,175)	-	21,801
Governmental activities capital assets, net	$ 14,538,962	$ 1,438,218	$ -	$ 15,977,180
Business Type Activities				
Capital assets not subject to depreciation				
Land	$ 333,727	$ -	$ -	$ 333,727
Construction in progress	5,300,276	569,709	(3,901,658)	1,968,327
Total	5,634,003	569,709	(3,901,658)	2,302,054
Capital assets subject to depreciation				
Plant and distribution system	32,187,478	-	(78,574)	32,108,904
Buildings, vehicles and equipment	7,592,205	6,048,464	(24,037)	13,616,632
Total	39,779,683	6,048,464	(102,611)	45,725,536
Less accumulated depreciation	(25,190,103)	(1,138,405)	102,388	(26,226,120)
Net	14,589,580	4,910,059	(223)	19,499,416
Capital assets, net	$ 20,223,583	$ 5,479,768	$ (3,901,881)	$ 21,801,470

(continued)

NOTE 2 CAPITAL ASSETS (continued)

Depreciation was charged to governmental activities as follows:

General	$	21,098
Police		125,401
Engineering		3,727
Fire		252,153
Library		3,630
Staff agencies		19,736
Street		359,667
Senior Citizens Center		6,262
Recreation		138,666
Total	$	930,340

NOTE 3 INTANGIBLE RIGHT-TO-USE ASSETS

In 2022, the City implemented the guidance in GASB Statement 87, *Leases*, and recognized the value of equipment leased under long-term contracts. As of September 30, 2023, the City has three lease agreements in place for three copiers. Details of the leasing agreements are as follows:

In February 2021, the City leased a copier to be used by the Police department for a period of five years. The intangible right-to-use asset is being amortized over five years, the term of the current lease.

In February 2021, the City leased a copier to be used by the Public Works department for a period of five years. The intangible right-to-use asset is being amortized over five years, the term of the current lease.

In February 2021, the City leased a copier to be used by the Administration department for a period of five years. The intangible right-to-use asset is being amortized over five years, the term of the current lease.

Terms of the aforementioned leases are described in Note 6.

CITY OF ROBERTSDALE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 4 LONG TERM DEBT – ALL FUNDS

The following is a summary, for all proprietary funds, of all long term debt of the City at September 30, 2023:

Proprietary Funds

Utilities Revenue Warrants, Series 2015 B, dated October 1, 2015, interest rate 2.25% to 4.0%, payable semi-annually, principal payable April 1, 2016 through April 1, 2036	$	5,845,000
Utilities Revenue Warrants, Series 2018 dated June 1, 2018, interest rate 2.25% to 3.375%, payable semi-annually, principal payable April 1, 2019 through April 1, 2033		1,165,000
Utilities Revenue Warrants, Series 2014 dated August 1, 2014, interest rate 2.0% to 3.2%, payable semi-annually, principal payable April 1, 2015 through April 1, 2029		1,630,001
Note payable dated June 13, 2019, payable in 60 installments of $3,426 including interest at 5.05%, due June 2024, secured by equipment		30,162
Subordinate Water, Sewer and Electric Revenue Warrant, Series 2023 dated April 10, 2023, interest rate 3.5%, payable annually April 9, 2024 through April 9, 2063		3,783,000
Subordinate Water, Sewer and Electric Revenue Warrant, Series 2020-DWSRF-DL (Partial Principal Forgiveness) dated February 1, 2020, interest rate 2.2%, payable semi-annually, principal payable February 15, 2021 through February 15, 2040		1,335,000
Total Proprietary Funds	$	13,788,163

(continued)

NOTE 4 LONG TERM DEBT – ALL FUNDS (continued)

The following is a summary, for all governmental funds, of all long term debt of the City at September 30, 2023:

Governmental Funds

General Obligation Warrants, Series 2016 dated January 1, 2015, interest rate 1.5% to 3.2%, payable semi-annually, principal payable April 1, 2016 through April 1, 2036	$	905,000
General Obligation Warrants, Series 2015 dated November 1, 2016, interest rate 2.0% to 3.4%, payable semi-annually, principal payable July 1, 2017 through July 1, 2036		2,500,000
General Obligation Warrants, Series 2013 dated August 1, 2013, interest rate 5.0%, payable semi-annually, principal payable January 1, 2014 through January 1, 2042		1,625,000
General Obligation Warrants, Series 2014 dated August 1, 2014, interest rate 2.0% to 2.6%, payable semi-annually, principal payable January 1, 2015 through January 1, 2024		160,000
Note payable dated May 1, 2014, interest rate 5.0%, monthly payments of $2,145 including interest, due April, 2034, secured by land		211,186
Total Governmental Funds	$	5,401,186

CITY OF ROBERTSDALE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 4 LONG TERM DEBT – ALL FUNDS (continued)

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Amounts due within one year
GOVERNMENTAL ACTIVITIES					
Warrants and notes payable					
General obligation warrants	$ 5,565,000	$ -	$ (375,000)	$ 5,190,000	$ 385,000
Notes payable	225,962	-	(14,776)	211,186	15,532
Total warrants and notes payable	5,790,962	-	(389,776)	5,401,186	400,532
Obligations under capital lease	1,950,176	-	(187,331)	1,762,845	79,541
Warrant premium	1,870	-	(1,016)	854	-
Warrant discount	(66,994)	-	4,040	(62,954)	-
Governmental activities long-term liabilities	$ 7,676,014	$ -	$ (574,083)	$ 7,101,931	$ 480,073

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Amounts due within one year
BUSINESS-TYPE ACTIVITIES					
Bonds, warrants and notes payable					
Utilities revenue debt	$ 14,522,998	$ 3,783,000	$ (4,548,000)	$ 13,757,998	$ 844,742
Notes payable	68,688	-	(38,523)	30,165	30,156
Total warrants and notes payable	14,591,686	3,783,000	(4,586,523)	13,788,163	874,898
Warrant premium	297,295	-	(21,490)	275,805	-
Warrant discount	(40,807)	-	5,286	(35,521)	-
Business-type activities long-term liabilities	$ 14,848,174	$ 3,783,000	$ (4,602,727)	$ 14,028,447	$ 874,898

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. The City is in compliance with all such significant financial limitations and restrictions.

(continued)

NOTE 4 LONG TERM DEBT – ALL FUNDS (continued)

Schedule of principal and interest maturities are as follows:

PROPRIETARY FUNDS

Fiscal Year	Principal	Interest	Total Debt Service
2024	$ 874,899	$ 464,052	$ 1,338,951
2025	866,309	442,512	1,308,821
2026	897,929	413,638	1,311,567
2027	919,607	383,511	1,303,118
2028	951,343	352,084	1,303,427
2029 - 2033	4,044,963	1,293,856	5,338,819
2034 - 2038	2,128,446	673,154	2,801,600
2039 - 2043	586,968	487,895	1,074,863
2044 - 2048	477,411	408,327	885,738
2049 - 2053	567,015	318,723	885,738
2054 - 2058	673,436	212,302	885,738
2059 - 2063	799,837	85,907	885,744
TOTALS	$ 13,788,163	$ 5,535,961	$ 19,324,124

GOVERNMENTAL FUNDS

Fiscal Year	Principal	Interest	Total Debt Service
2024	$ 400,532	$ 192,167	$ 592,699
2025	246,326	182,374	428,700
2026	247,162	176,189	423,351
2027	258,040	169,791	427,831
2028	263,963	162,868	426,831
2029 - 2033	1,445,397	692,929	2,138,326
2034 - 2038	1,154,766	466,557	1,621,323
2039 - 2043	1,385,000	208,929	1,593,929
	$ 5,401,186	$ 2,251,804	$ 7,652,990

NOTE 5 CAPITAL LEASES

As of September 30, 2023, the City has one capital lease obligation through one bank for the purchase of the Baldwin County Coliseum. Total minimum lease payments are as follows:

Year	Governmental Activities
2024	$ 131,450
2025	131,450
2026	131,450
2027	131,450
2028 and thereafter	1,593,145
Total minimum lease payments	2,118,945
Less amount representing interest	(356,100)
Present value of minimum lease payments	$ 1,762,845

The assets acquired through outstanding capital leases are shown below.

	Governmental Activities
Buildings	$ 2,200,000
Less: accumulated depreciation	(110,000)
Total	$ 2,090,000

Depreciation expense for the year ended September 30, 2023 for assets under capital leases was $55,000.

NOTE 6 INTANGIBLE RIGHT-TO-USE LEASE LIABILITY

In 2022, the City implemented the guidance of in GASB Statement 87, *Leases*, for accounting and reporting leases that had been previous reported as operating leases. The City leases three copiers with details of the leasing arrangements are follows:

The City leases a copier from De Lage Landen Financial Services, Inc. for a term of 63 months. The lease requires a monthly payment of $174.

The City leases a copier from De Lage Landen Financial Services, Inc. for a term of 63 months. The lease requires a monthly payment of $260.

The City leases a copier from De Lage Landen Financial Services, Inc. for a term of 63 months. The lease requires a monthly payment of $320.

NOTE 6 INTANGIBLE RIGHT-TO-USE LEASE LIABILITY (continued)

For the purposes of discounting future payments on the leases, the City used the interest rate 4% (lessee's incremental borrowing rate) on its financing agreements to determine an appropriate discount rate. The lease equipment and accumulated amortization of the right-to-use assets are outlined in Note 3.

Minimum lease payments over the next five years are as follows:

Year	Principal	Interest	Total
2024	$ 8,277	$ 770	$ 9,047
2025	8,614	432	9,046
2026	6,113	94	6,207
	$ 23,004	$ 1,296	$ 24,300

NOTE 7 RETIREMENT PLAN

General Information about Retirement Plan

Plan Description

The ERS, an agent multiple-employer public employee retirement plan, was established as of 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 15 trustees. 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.

The ERS Board of Control consists of 15 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) Eight 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.

NOTE 7 RETIREMENT PLAN (continued)

c. One vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
d. One vested active employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *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 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) 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 (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

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 (56 for State Police) 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 formula method. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of state police service in computing the formula method.

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 608 employers adopted Act 2019-132.

(continued)

NOTE 7 RETIREMENT PLAN (continued)

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 886 local participating employers. The ERS membership includes approximately 108,890 participants. As of September 30, 2022, membership consisted of:

	Number
Inactive members or their beneficiaries currently receiving benefits	37
Vested inactive members	4
Non-vested Inactive Members	11
Active members	97
Post-DROP Retired Member Still in Active Service	0
Total	149

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. State Police of the ERS contribute 10% of earnable compensation.

Employers participating in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* were not required by statue 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.

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. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

(continued)

NOTE 7 RETIREMENT PLAN (continued)

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 preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2023, the City's active employee contribution rate was 5% for Tier 1 – Regular, 6% for Tier 1 – FLC, 7.5% for Tier 2 – Regular and 8.5% for Tier 2 - FLC of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 8.58% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2023, was 9.83% of pensionable pay for Tier 1 employees, and 8.07% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2020, 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 $563,640 for the year ended September 30, 2023.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2021, rolled forward to September 30, 2022, using standard roll-forward techniques as shown in the following table:

		Expected	Actual Before Act 2019-132	Actual After Act 2019-132
(a)	Total pension liability as of September 30, 2021	$ 21,987,013	$ 22,248,802	$ 22,266,186
(b)	Discount rate	7.45%	7.45%	7.45%
(c)	Entry age normal cost for the period October 1, 2021 - September 30, 2022	508,917	508,917	509,373
(d)	Transfers Among Employers:	-	63,551	63,551
(e)	Actual benefit payments and refunds for the period October 1, 2021 - September 30, 2022	(946,355)	(946,355)	(946,355)
(f)	Total pension liability as of September 30, 2022 = [(a) x (1+ (b))] + (c) + (d) + [(e) x (1 + .05*(b))]	$ 23,152,356	$ 23,497,199	$ 23,516,334
(g)	Difference between expected and actual:		$ 344,843	
(h)	Less Liability Transferred for Immediate Recognition:		63,551	
(i)	Experience (Gain)/Loss = (g) - (h)		$ 281,292	
(j)	Difference between Actual TPL Before and After Act 2019-132- Benefit Change (Gain)/Loss			$ 19,135

CITY OF ROBERTSDALE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 7 RETIREMENT PLAN (continued)

Actuarial Assumptions

The total pension liability in the September 30, 2022 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2021. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected salary increase	3.25% - 6.00% for State and Local Employees and 4.00% - 7.75% for State Police, including inflation
Investment rate of return*	7.45%

*Net of penison plan investment expense

Mortality rates were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Non-FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male: 90% ages < 65, 96% ages >= 65 Female: 96% all ages
FLC/State Police Service Retirees	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

(continued)

NOTE 7 RETIREMENT PLAN (continued)

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	15.0%	2.8%
U.S. Large Stocks	32.0%	8.0%
U.S. Mid Stocks	9.0%	10.0%
U.S. Small Stocks	4.0%	11.0%
Inter'ntl Developed Mkt Stks	12.0%	9.5%
Inter'ntl Emerging Mkt Stks	3.0%	11.0%
Alternatives	10.0%	9.0%
Real Estate	10.0%	6.5%
Cash	5.0%	1.5%

*Includes assumed rate of inflation of 2.0%

Discount Rate

The discount rate used to measure the total pension liability was the long term rate of return, 7.45%. 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 RSA 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(continued)

NOTE 7 RETIREMENT PLAN (continued)

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2021	$ 21,987,013	$ 17,623,073	$ 4,363,940
Changes for the year:			
Service cost	508,917	-	508,917
Interest	1,602,781	-	1,602,781
Change of benefit terms	19,135		19,135
Change of assumptions	-	-	-
Difference between expected and actual experience	281,292	-	281,292
Contributions - employer	-	532,533	(532,533)
Contributions - employee	-	354,124	(354,124)
Net investment income	-	(2,254,051)	2,254,051
Benefit payments, including refunds of employee contributions	(946,355)	(946,355)	-
Transfers among employers	63,551	63,551	-
Net changes	1,529,321	(2,250,198)	3,779,519
Balances at September 30, 2022	$ 23,516,334	$ 15,372,875	$ 8,143,459

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the Board's net pension liability calculated using the discount rate of 7.45%, 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 (6.45%) or 1-percentage point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Net Pension Liability	$ 11,200,661	$ 8,143,459	$ 5,595,588

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, 2022. The supporting actuarial information is included in the GASB Statement No. 68 Report for the RSA prepared as of September 30, 2022. The auditor's report 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 www.rsa-al.gov.

(continued)

NOTE 7 RETIREMENT PLAN (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2023, the City recognized pension expense of $563,640. At September 30, 2023, 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	$ 855,055		$ 52,616	
Changes of assumptions	664,076		-	
Net difference between projected and actual earnings on plan	1,836,963		-	
Employer contributions subsequent to the measurement date	540,802	*	-	
Total	$ 3,896,896		$ 52,616	

*$540,802 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year ending September 30,	
2024	$ 878,842
2025	663,374
2026	576,617
2027	943,156
2028	161,996
Thereafter	79,493
Total	$ 3,303,478

NOTE 8 RISK MANAGEMENT AND CONTINGENICES

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains coverage from commercial insurance companies and effectively manages risk through various employee education and prevention programs.

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. City management believes such disallowances, if any, will be immaterial.

NOTE 9 DEPOSIT AND INVESTMENT RISK

At September 30, 2023, the City had investments in U. S. Treasury money market mutual funds through its trustee agreement for debt sinking funds. The fair value was $1,746,718 ($163,708 in governmental activities and $1,583,010 in business-type activities). The average maturity of the portfolio was 59 days.

Investment Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes authorize the City's investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, direct obligations of the state, and SEC registered mutual funds holding like securities. The City has no investment policy that further limits investment choices. As of September 30, 2023, the City's mutual fund investments' principal stability rating was AAAm as reported by Standard & Poor's.

Custodial Credit Risk - The City is a participant in the Security for Alabama Funds Enhancement (SAFE) Program, a multiple financial institution collateral pool, administered by the State of Alabama. The program, by law, provides administration of pledged collateral coverage for all governments and agencies in the state and requires qualified financial institutions to provide collateral to the administrator adequate to secure all deposits of public funds in that financial institution. The State guarantees deposits identified as "public funds" will be adequately secured by insurance or collateral. Any collateral shortages of one financial institution are assessed to other member financial institutions.

NOTE 10 INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds to provide services, construct assets, service debt, etc. Transactions reimbursing a fund for expenditures made by it for the benefit of another fund are recorded as expenditures in the disbursing fund and as revenues in the receiving fund. Payments and collections made on behalf of other funds are recorded as interfund receivables and payables. From time to time, the City settles interfund transactions via account offset and recognition of interfund transfers. At September 30, 2023, the City had no interfund payables and receivables.

	Transfers In	Transfers Out
General Fund	$ 1,249,335	$ -
Debt Service Fund	182,864	-
Special Revenue Fund	-	341,373
Electric Fund	-	1,934,223
Water Fund	731,785	-
Sewer Fund	-	248,458
Sanitation Fund	255,500	-
Natural Gas Fund	134,570	-
PBA Fund	-	30,000
	$2,554,054	$ 2,554,054

NOTE 11 SUBSEQUENT EVENTS

The City has evaluated subsequent events through February 28, 2024, the date which the financial statements were available to be issued.

On October 16, 2023, Robertsdale Utility Department agreed to pay a franchise fee of 7% on their gross revenues monthly to the City, beginning on October 1, 2023 until September 30, 2026.

On January 23, 2024, the City entered into an agreement with United Bank to provide interim financing for sewer upgrades in the amount of up to $7,811,000, with an interest rate of 4.439%. This will be a closed end construction line of credit with interest due monthly and due in full after 36 months. After the 36 months, the City will enter into a General Obligation Warrant with United States Department of Agriculture (USDA).

There were no other material subsequent events which require disclosure at September 30, 2023.

NOTE 12 FAIR VALUE DISCLOSURES

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value in a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair Value measurements are categorized based on the valuation inputs used to measure an assets fair value.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

Investments' fair value measurements are as follows at September 30, 2023:

	Level 1	Level 2	Level 3	Total
Treasury Portfolio	$ 1,746,718	$ -	$ -	$ 1,746,718
AMIC Insurance	-	-	23,370	23,370
Total	$ 1,746,718	$ -	$ 23,370	$ 1,770,088

Debt securities categorized as Level 1 are based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. The investment in AMIC is quoted as a Level 3 input. There is no active market for this investment but an initial investment was required to participate in AMIC. Fair value of the investment approximates cost.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROBERTSDALE, ALABAMA

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Actual Amounts	Variance (Under) Over Budget
REVENUES			
Local taxes	$ 5,641,230	$ 6,400,843	$ 759,613
Licenses and permits	918,500	1,226,598	308,098
Fine and forfeitures	140,000	168,559	28,559
Grants	1,351,000	274,572	(1,076,428)
Charges for services	217,000	223,463	6,463
Other revenue	543,090	1,011,661	468,571
Total revenues	8,810,820	9,305,696	494,876
EXPENDITURES			
General government	812,728	952,209	139,481
Police department	3,137,838	3,461,149	323,311
Fire department	187,554	180,374	(7,180)
Street department	1,903,310	579,730	(1,323,580)
Shop	112,607	129,407	16,800
Recreation department	509,144	597,958	88,814
Public library	399,770	489,178	89,408
Municipal court	264,247	275,813	11,566
Landscape department	198,601	298,832	100,231
Animal control	95,233	102,861	7,628
Senior Citizens' Center	268,170	184,332	(83,838)
Staff agencies and other	16,230	-	(16,230)
Engineering, building, planning, and zoning	333,745	335,343	1,598
PZK Civic Center	27,700	29,416	1,716
Coliseum	172,320	350,708	178,388
Capital outlay	5,159,319	2,272,333	(2,886,986)
Debt service payments			
Principal	-	210,061	210,061
Interest	-	64,030	64,030
Total expenditures	13,598,516	10,513,734	(3,084,782)
Excess of Revenues over (under) Expenditures	(4,787,696)	(1,208,038)	3,579,658
Other financing sources (uses)			
Transfers in (out)	436,100	874,335	438,235
NET CHANGE IN FUND BALANCE	$ (4,351,596)	(333,703)	$ 4,017,893
FUND BALANCE - BEGINNING OF YEAR		726,022	
FUND BALANCE - END OF YEAR		$ 392,319	

CITY OF ROBERTSDALE, ALABAMA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

Although no legal requirement to establish a budget exists, the City Council follows these procedures in establishing the budgets:

(1) Each September the Mayor submits to the City Council a proposed working budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them for the upcoming year. Line item budgets are used for administrative control. The level of control for the detailed budgets is at the department head/function level.

(2) Council meetings are conducted to obtain taxpayer comments.

(3) The budget is legally enacted through council action.

(4) Reports are submitted to the City Council showing approved budget and actual operations.

(5) The Mayor is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund or transfer of funds between departments must be approved by the City Council.

(6) Formal budgetary integration is employed as a management control device during the year for the General Fund and the Proprietary Funds.

(7) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

(8) Budgetary data, if any, for Capital Project Funds are budgeted over the life of the respective project and not on an annual basis.

CITY OF ROBERTSDALE, ALABAMA

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS ENDED SEPTEMBER 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution*	$ 540,802	$ 510,705	$ 479,134	$ 440,339	$ 428,467	$ 402,671	$ 372,316	$ 369,042	$ 355,569
Contributions in relation to the actuarially determined contribution*	540,802	510,705	479,134	440,339	428,467	402,671	372,316	369,042	355,569
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll**	$ 6,172,708	$ 6,291,174	$ 6,044,636	$ 5,560,355	$ 5,182,637	$ 4,948,972	$ 4,791,369	$ 4,598,782	$ 4,365,907
Contributions as a percentage of covered-employee payroll	8.76%	8.12%	7.93%	7.90%	8.30%	8.10%	7.77%	8.02%	8.14%

*The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

**Employer's covered payroll for FY2023 is the total covered payroll for the 12 month period of the underlying financial statement.

Notes to Schedule

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2023 were based on the September 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	21.3
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF ROBERTSDALE, ALABAMA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

LAST TEN FISCAL YEARS FOR THE YEAR ENDED SEPTEMBER 30

	2022	2021	2020
Total pension liability			
Service Cost	$ 508,917	$ 455,926	$ 411,296
Interest	1,602,781	1,536,705	1,396,158
Changes of benefit terms	19,135	-	213,667
Differences between expected and actual experience	281,292	(68,378)	572,371
Changes of assumptions	-	795,715	-
Benefit payments, including refunds of employee contributions	(946,355)	(943,681)	(701,875)
Transfers among employers	63,551	(218,328)	54,579
Net change in total pension liability	1,529,321	1,557,959	1,946,196
Total pension liability - beginning	21,987,013	20,429,054	18,482,858
Total pension liability - ending (a)	$ 23,516,334	$ 21,987,013	$ 20,429,054
Plan fiduciary net position			
Contributions - employer	$ 532,533	$ 479,134	$ 440,339
Contributions - member	354,124	413,403	305,311
Net investment income	(2,254,050)	3,226,830	790,083
Benefit payments, including refunds of employee contributions	(946,355)	(943,681)	(701,875)
Transfers among employers	63,551	(218,328)	54,579
Net change in plan fiduciary net position	(2,250,197)	2,957,358	888,437
Plan net position - beginning	17,623,073	14,665,715	13,777,278
Plan net position - ending (b)	$ 15,372,876	$ 17,623,073	$ 14,665,715
Net pension liability (asset) - ending (a) - (b)	$ 8,143,458	$ 4,363,940	$ 5,763,339
Plan fiduciary net position as a percentage of the total pension liability	65.37%	80.15%	71.79%
Covered-employee payroll*	$ 6,172,708	$ 6,291,174	$ 6,044,636
Net pension liability (asset) as a percentage of covered-employee payroll	76%	69%	95%

*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY2023, the measurement period is October 1, 2021 – September 30, 2022.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, currently only information is available for the years ended September 30, 2014 and September 30, 2022

CITY OF ROBERTSDALE, ALABAMA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

LAST TEN FISCAL YEARS FOR THE YEAR ENDED SEPTEMBER 30

2019	2018	2017	2016	2015	2014
$ 382,168	$ 376,995	$ 356,768	$ 347,314	$ 344,076	$ 329,340
1,307,952	1,223,060	1,133,709	1,045,788	955,554	888,735
-	-	-	-	-	-
192,814	265,213	238,413	258,140	271,200	-
-	105,148	-	393,449	-	-
(802,631)	(589,544)	(495,419)	(477,826)	(407,998)	(357,670)
14,856	(69,368)	(33,484)	(1,919)	-	-
1,095,159	1,311,504	1,199,987	1,564,946	1,162,832	860,405
17,387,699	16,076,195	14,876,208	13,311,262	12,148,430	11,288,025
$ 18,482,858	$ 17,387,699	$ 16,076,195	$ 14,876,208	$ 13,311,262	$ 12,148,430
$ 425,064	$ 398,252	$ 372,315	$ 369,445	$ 356,849	$ 348,882
294,052	275,680	309,363	254,166	229,131	236,177
345,778	1,142,932	1,392,260	991,316	112,222	990,664
(802,631)	(589,544)	(495,419)	(477,826)	(407,998)	(357,670)
14,856	(69,368)	(33,484)	(1,919)	3,162	15,549
277,119	1,157,952	1,545,035	1,135,182	293,366	1,233,602
13,500,159	12,342,207	10,797,172	9,661,990	9,368,624	8,135,022
$ 13,777,278	$ 13,500,159	$ 12,342,207	$ 10,797,172	$ 9,661,990	$ 9,368,624
$ 4,705,580	$ 3,887,540	$ 3,733,988	$ 4,079,036	$ 3,649,274	$ 2,776,806
74.54%	77.64%	76.77%	72.58%	72.59%	77.12%
$ 5,560,355	$ 4,948,972	$ 4,791,369	$ 4,598,782	$ 4,365,907	$ 4,365,907
85%	79%	78%	89%	84%	64%

OTHER INFORMATION

CITY OF ROBERTSDALE, ALABAMA

ADDITIONAL INFORMATION REQUIRED BY BOND INDENTURES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Electric Fund	Water Fund	Sewer Fund	Total
Income (loss) from operations	$ 3,145,794	$ 275,513	$ 277,888	$ 3,699,195
Add:				
Depreciation and amortization	320,065	372,389	331,905	1,024,359
Annual net income as prescribed by debt covenants	$ 3,465,859	$ 647,902	$ 609,793	$ 4,723,554

CUSTOMER COUNTS	Electric Fund	Water Fund	Sewer Fund	Gas Fund
A. Utility customer counts at September 30, 2023				
Number of customers	3,457	4,181	3,477	216
Number of metered customers	3,457	4,181	3,477	216

B. Utility fund casualty insurance coverage on electrical sub stations, natural gas facilities, water and waste water facilities is included in a blanket policy with the Governmental Funds general capital assets building and facilities. The City of Robertsdale, Alabama is the name insured on all policies.

Buildings and facilities - expires May 2024	$ 63,667,874
Automobile - expires May 2024	$ 3,000,000
Public officials errors and omissions liability - expires May 2024	$ 3,000,000

C. The City has complied with all requirements of the respective bond indentures.

See independent auditors' report

CITY OF ROBERTSDALE, ALABAMA

ADDITIONAL INFORMATION REQUIRED BY BOND INDENTURES

SEPTEMBER 30, 2023

	2013 GOW Fund	2014 Debt Reserve	2014 URW Fund	2014 GOW Fund	2015 GOW Fund	2015 URW Fund
Balance 10/1/22	$ 20,328	$303,227	$ 152,493	$ 40,872	$ 60,081	$ 289,922
Deposits	81,286	12,101	299,217	163,332	238,946	585,670
Disbursements	(81,250)	(7,910)	(298,910)	(163,035)	(239,740)	(574,083)
Balance 9/30/23	$ 20,364	$307,418	$ 152,800	$ 41,169	$ 59,287	$ 301,509

	2015 Reserve Fund	2016 GOW Fund	2018 URW Fund	2018 Reserve Fund
Balance 10/1/22	$ 603,302	$ 40,723	$ 69,403	$ 139,135
Deposits	24,076	83,458	137,661	5,555
Disbursements	(15,720)	(81,293)	(138,545)	(3,584)
Balance 9/30/23	$ 611,658	$ 42,888	$ 68,519	$ 141,106

COMPLIANCE SECTION

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

Honorable Mayor and Members of the City Council
City of Robertsdale, Alabama

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Robertsdale, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Robertsdale, Alabama's basic financial statements, and have issued our report thereon dated February 28, 2024.

Internal Control over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Avizo Group, Inc.

Certified Public Accountants

February 28, 2024
Fairhope, Alabama