

CITY OF HUEYTOWN

RESOLUTION NO. 6496

ACKNOWLEDGE RECEIPT OF THE FISCAL YEAR 2022 CITY AUDIT AND RATIFY FISCAL YEAR 2022 EXPENDITURES

WHEREAS, Till, Hester, Eyer & Brown, PC., Certified Public Accountants located at 2700 Highway 280 East, Birmingham, Alabama, is the auditing firm responsible for the Fiscal Year 2022 annual City Audit; the Financial Statements for the Fiscal Year ending September 30, 2022; and

WHEREAS, the Mayor, City Staff and the City Council have considered the attached 2022 Audit and considers the approval and/or the ratification of the audit to be in the best interest of the City; and

WHEREAS, the Mayor, City Staff and the City Council have considered the attached Fiscal Year 2022 expenditures and considers the approval and/or the ratification of those items to be just, authorized, and in the best interest of the City.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUEYTOWN, ALABAMA, THAT:

1. The Recitals above are true, correct, approved and included herein as if fully set forth.
2. The attached Fiscal Year 2022 City Audit is hereby recognized and approved as presented.
3. The attached Fiscal Year 2022 list of City Expenditures is hereby ratified.
4. The Mayor and Staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein.
5. The provisions of this Resolution are severable if any part of this Resolution is determined by a court of law to be invalid, unenforceable or unconstitutional, such determination shall not affect any other part of this Resolution.

ADOPTED this 14th day of March, 2023. Anthony J. Knight
President of City Council

APPROVED this 14th day of March, 2023. Stephen M. Moore
Mayor

ATTEST: [Signature]
City Clerk and Treasurer



FINANCIAL STATEMENTS

Year Ended September 30, 2022

REPORT FROM
TILL, HESTER, EYER & BROWN, P.C.
Certified Public Accountants
BIRMINGHAM, ALABAMA

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CITY OF HUEYTOWN, ALABAMA
ELECTED OFFICIALS
September 30, 2022

<u>MAYOR</u>	<u>TERM OF OFFICE</u>
Honorable Steve Ware	October 2020 - 2025
<u>CITY COUNCIL MEMBERS</u>	
Fran Zinnerman - District 1	October 2020 - 2025
Michael S. Pickens - District 2	October 2020 - 2025
Chuck Hurliman - District 3	October 2020 - 2025
Anthony Q. Wright - District 4	October 2020 - 2025
Jay Jacks - District 5	October 2020 - 2025

TILL, HESTER, EYER & BROWN, P.C.

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MEMBERS
AMERICAN INSTITUTE
OF CERTIFIED
PUBLIC ACCOUNTANTS

ALABAMA SOCIETY
OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
Hueytown, Alabama

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Hueytown, Alabama, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Hueytown, Alabama'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 activity, each major fund, and the aggregate remaining fund information of the City of Hueytown, Alabama, as of September 30, 2022, 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 for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hueytown, Alabama, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Hueytown, Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Hueytown, 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 Hueytown, Alabama's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules for changes in the net pension liability and employer contributions for the Employees' Retirement System of Alabama and Other Post-Employment Benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hueytown, Alabama's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Till, Hester, Eyer & Brown, P.C.

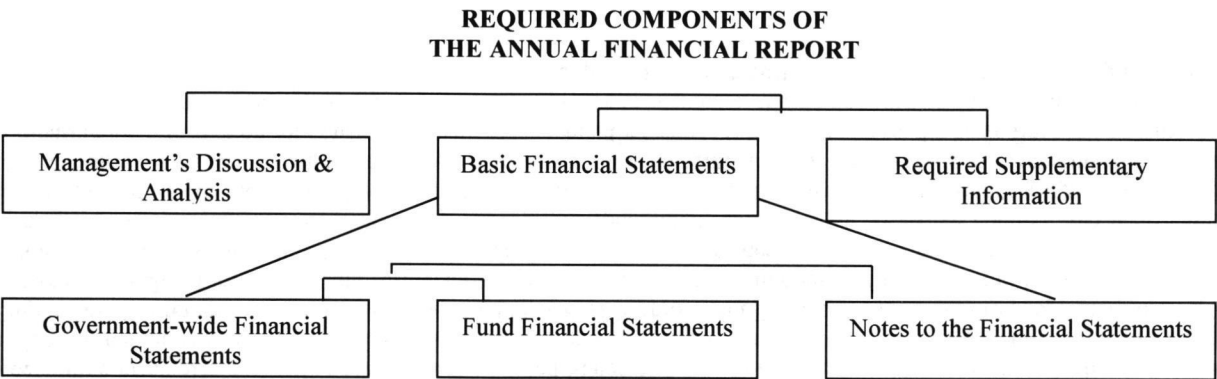
March 3, 2023

Management’s Discussion and Analysis

As management of the City of Hueytown, Alabama, we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City of Hueytown for the fiscal year ended September 30, 2022. We encourage readers to read the information presented here in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The unassigned fund balance of the governmental activities is \$12.6 million and may be used to meet the ongoing obligations of the governmental activities.
- The governmental funds fund balance increased \$4.9 million during the year, bringing the total fund balance of governmental funds to \$21.2 million. Of this amount, \$8 million is restricted under laws external to the City for specific purposes, \$284 thousand is nonspendable, \$387 thousand is assigned by management for specific purposes, and \$12.6 million is unreserved and available to finance the activities of the governmental funds.
- The General Fund reported a fund balance of \$14 million. The fund balance increased by \$2.5 million during the year.



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to private-sector business. The government-wide statements provide short and long-term information about the City’s financial status as a whole.

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

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

Management's Discussion and Analysis (unaudited)

September 30, 2022

City of Hueytown, Alabama

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover a significant portion of their costs through user fees or charges (*business-type activity*). The governmental activities of the City include general government, public protection, public ways and facilities, and intergovernmental functions. The intergovernmental functions of the City are those activities whereby the City provides financial resources to other governmental entities.

The business-type activity of the City is the sanitation operations. This activity is referred to in the financial statements as part of the *primary government*.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City maintains twelve individual governmental funds:

- The General Fund, 2022 GOW Capital Projects Fund, 2014 GOW Capital Projects Fund and ARPA Grant Fund are considered a *major* funds, and information is presented separately in the *governmental funds balance sheet* and in the *governmental funds statement of revenues, expenditures, and changes in fund balances* for these funds.
- The eight other governmental funds are considered *nonmajor* governmental funds and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements found on pages 56 and 57 of this report.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Fund

The City maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sanitation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The basic proprietary fund financial statements provide information as follows:

- The Garbage Fund is considered a major proprietary fund of the City, and information is presented separately in the *proprietary fund statement of net position* and in the *proprietary fund statement of revenues, expenses, and changes in net position*.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

Management's Discussion and Analysis (unaudited)
September 30, 2022

City of Hueytown, Alabama

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 22 through 42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The City of Hueytown adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 43 through 55 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 56 and 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a government's financial position. Overall, the City's assets exceed liabilities by \$13.0 million at the close of the recent fiscal year. Of this figure, \$6.1 million represents the City's total investment in capital assets (i.e. land, buildings, improvements, infrastructure and other), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$6.9 million, represents resources that are subject to restrictions as to how they may be used. These are restrictions that are being imposed by legal requirements other than those imposed by the City Council (i.e. state or federal law).

Management's Discussion and Analysis (unaudited)
September 30, 2022

City of Hueytown, Alabama

City of Hueytown's Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 21,632	\$ 16,596	\$ 381	\$ 421	\$ 22,013	\$ 17,017
Capital assets	16,096	12,045	-	-	16,096	12,045
Total assets	37,728	28,641	381	421	38,109	29,062
Deferred outflows of resources	3,798	3,383	-	-	3,798	3,383
Long-term liabilities outstanding	24,097	22,910	-	-	24,097	22,910
Other liabilities	1,019	297	111	110	1,130	407
Total liabilities	25,116	23,207	111	110	25,227	23,317
Deferred outflows of resources	3,419	650	242	239	3,661	889
Net position:						
Net investment in capital assets	6,108	6,072	-	-	6,108	6,072
Restricted	6,953	4,237	-	-	6,953	4,237
Unrestricted	(70)	(2,142)	28	72	(42)	(2,070)
Total net position	\$ 12,991	\$ 8,167	\$ 28	\$ 72	\$ 13,019	\$ 8,239

Management's Discussion and Analysis (unaudited)
September 30, 2022

City of Hueytown, Alabama

City of Hueytown's Changes in Net Position (in thousands)

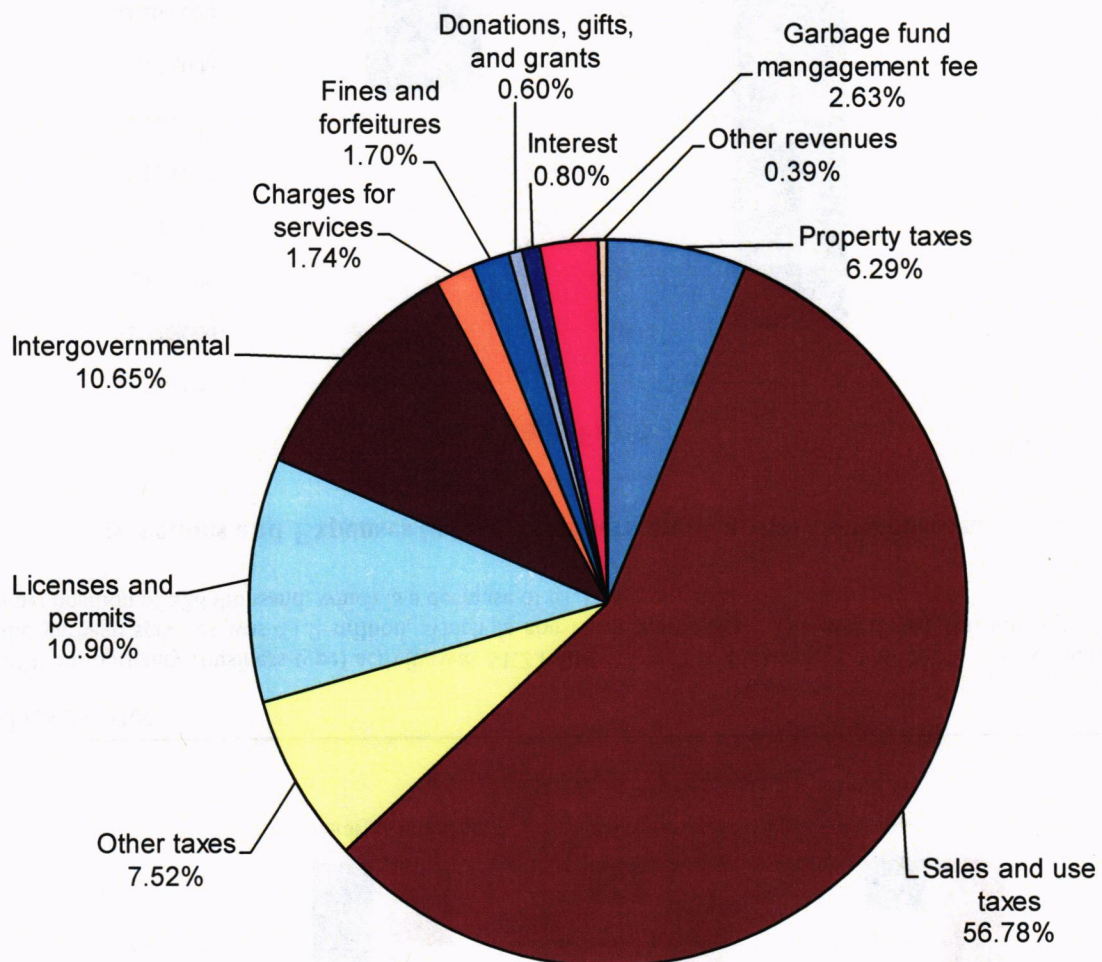
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Fees, fines and charges for services	\$ 3,667	\$ 3,805	\$ 1,175	\$ 1,166	\$ 4,842	\$ 4,971
Operating grants and contributions	2,255	2,226	-	-	2,255	2,226
Capital grants and contributions	426	473	-	-	426	473
General revenues:						
Property taxes	1,258	1,252	-	-	1,258	1,252
Sales and use taxes	11,351	10,619	-	-	11,351	10,619
Other taxes	1,071	1,010	-	-	1,071	1,010
Interest	160	25	-	-	160	25
Gain on sale of assets	28	15	-	-	28	15
Total revenues	<u>20,216</u>	<u>19,425</u>	<u>1,175</u>	<u>1,166</u>	<u>21,391</u>	<u>20,591</u>
Expenses:						
General government	1,997	1,859	-	-	1,997	1,859
Public protection	10,306	10,335	-	-	10,306	10,335
Public ways and facilities	2,667	2,634	-	-	2,667	2,634
Interest and fiscal agent fees	381	206	-	-	381	206
Garbage Fund	-	-	1,219	1,222	1,219	1,222
Total expenses	<u>15,351</u>	<u>15,034</u>	<u>1,219</u>	<u>1,222</u>	<u>16,570</u>	<u>16,256</u>
Change in net position	4,865	4,391	(44)	(56)	4,821	4,335
Net position - beginning of year, restated	8,126	3,776	72	128	8,198	3,904
Net position - end of year	<u>\$ 12,991</u>	<u>\$ 8,167</u>	<u>\$ 28</u>	<u>\$ 72</u>	<u>\$ 13,019</u>	<u>\$ 8,239</u>

Governmental Activities

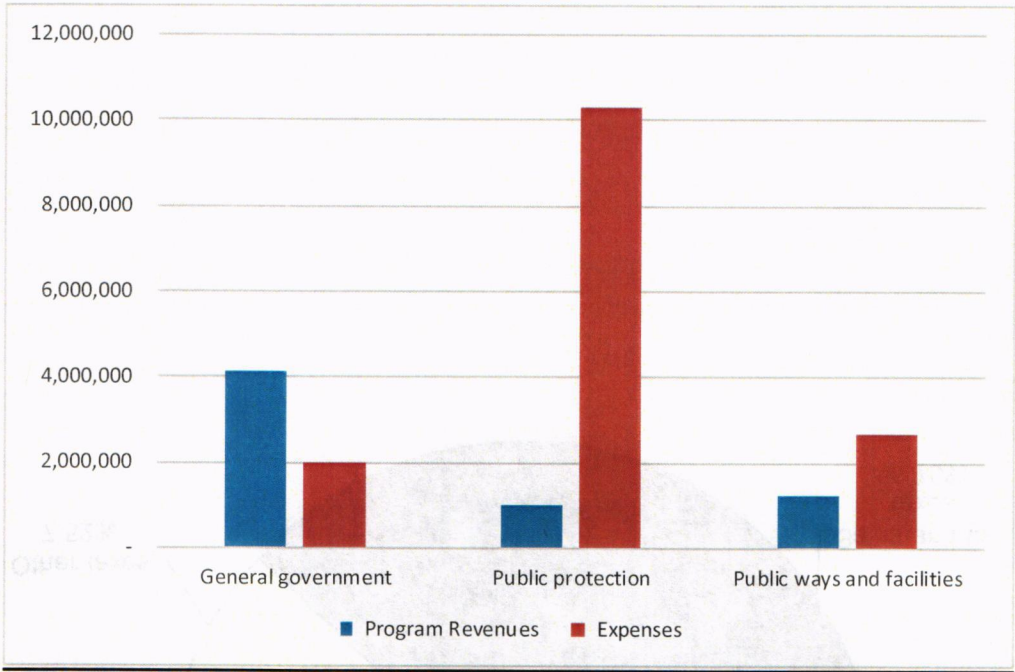
The City's governmental activities rely heavily on property taxes and sales taxes to support governmental operations. Property taxes provided 6.22% and sales taxes provided 56.15% of the City's total governmental revenues. Sales tax revenue increased by 6.90%. It should be noted that program revenues covered 41.35% of governmental operating expenses and the government's taxpayers and the City's other general revenues covered 58.65% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

The most significant governmental expense for the City is providing public protection services such as fire and police protection. This comprised 67.14% of the total governmental expenses. Public protection expenses decreased by \$29 thousand, or 0.28%. The second largest cost incurred by the City for governmental activities is public ways and facilities, which is 17.37% of total governmental expenses. Public ways and facilities primarily includes library and public works. Expenses for public ways and facilities are offset by charges for services, operating grants and contributions and capital grants and contributions, which totaled \$564 thousand, \$432 thousand and \$238 thousand, respectively. The charges for services include registration and program fees. The total cost of all governmental activities increased by \$317 thousand while revenues increased by \$791 thousand.

Revenue by Source - Governmental Activities



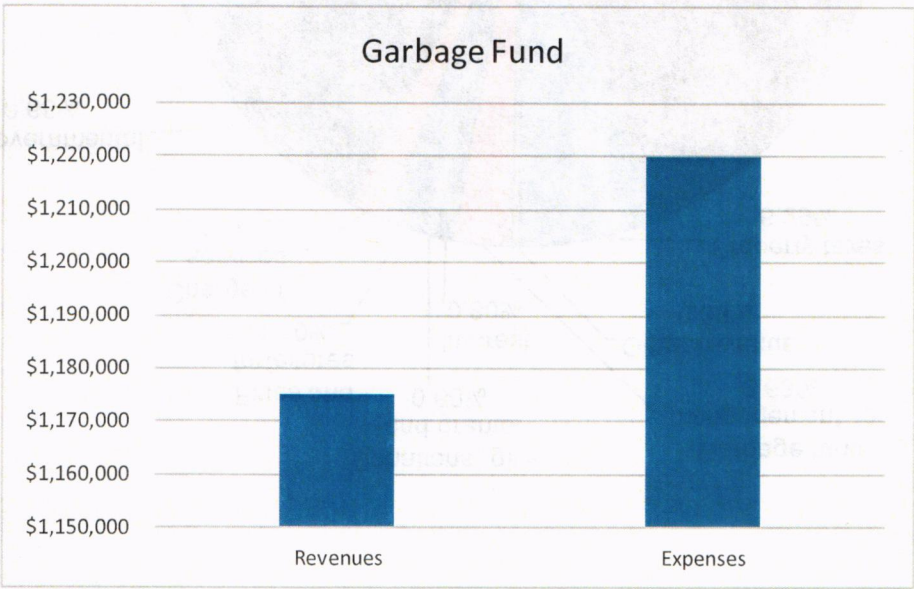
Program Revenues and Expenses - Governmental Activities



Business-Type Activities

The cost of the proprietary (business-type) activity was \$1.2 million, which is a consistent with 2021. The amount paid by users of the garbage services was \$1.2 million, which is consistent with 2021. The proprietary (business-type) activity reported a net position of \$28 thousand, which is a decrease of 61.11% from 2021.

Revenues and Expenses before Transfers and Capital Contributions



Management's Discussion and Analysis (unaudited)
September 30, 2022

City of Hueytown, Alabama

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

The combined fund balance of the City's governmental funds increased \$4.9 million in 2022 and the total balance as of September 30, 2022, was \$21.2 million. Of this amount, \$12.6 million consists of unassigned fund balance, which is generally available for spending at the City's discretion. Nonspendable fund balance was \$284 thousand and fund balance that is designated for particular purposes, generally specified in council ordinances, totaled \$387 thousand. The remainder of the total fund balance is \$8 million, which is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and other purposes, or must be spent for specific purposes in the future as required by legal constraints.

Total revenues were \$20 million, an increase of 4.84% from 2021. Sales tax revenue increased by \$732 thousand.

Proprietary fund. The focus of the City's proprietary fund (enterprise) is to provide the same type of information as found in the government-wide financial statements, but in greater detail.

Unrestricted net position of the Garbage Fund was \$28 thousand. The total decrease in net position for the Garbage fund was \$44 thousand. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Hueytown's business-type activities.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

The Mayor and City Council approve a formal budget for the General Fund on the modified accrual basis of accounting. The other governmental funds do not have a formal budget. See required supplementary information on pages 43 through 49 for budget to actual comparisons for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental activities as of September 30, 2022, totals \$16.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment and infrastructure. For further information on capital assets see Note E in the notes to the financial statements.

City of Hueytown's Capital Assets (in thousands)			
		Governmental Activities	
		2022	2021
Land	\$	6,937	\$ 3,022
Machinery and equipment		6,816	6,403
Buildings, infrastructure and improvements		9,572	9,483
Construction in progress		357	17
		23,682	18,925
Accumulated depreciation		(7,586)	(6,880)
Total	\$	16,096	\$ 12,045

Management's Discussion and Analysis (unaudited)

September 30, 2022

City of Hueytown, Alabama

Long-Term Debt

General obligation warrants are secured by the full faith and credit of the City and payable from the proceeds of various taxes. Refer to Note G to the financial statements for additional information on long-term debt.

ECONOMIC CONDITIONS AFFECTING THE CITY

The Mayor, City Safety Officer and Department Heads continue to monitor and assess conditions to plan as a response to the continued effects of the COVID pandemic. The plans priority is a practical attempt to balance the delivery of key City Services while preserving the employee and the Public's health and safety using guidance from the CDC, State and County Health Departments.

The City continues to experience issues with the US Postal Service delivering payments timely. The excessive postal delays coupled with the taxpayers "customers" experiencing staffing issues has created a significant increase of the staff's time communicating with customers about the status of their payments and issuing waiver of penalties and/or late payment fees.

The Municipal Court was able start hearing cases via video, thus creating a resolution to clearing the backlog in processing and/or hearing court cases. During the 2022 calendar year the Municipal Court has resumed back to pre-covid operations.

The City has received the two tranche payments from the American Rescue Relief Act (ARPA) to assist the City with continued response to the pandemic. The funds have been used to reimburse the General Fund for the Fire Department employee salary costs.

The City continues to update the outdoor recreation space with the construction of two park pavilions at the Forest Road Storm Shelter site and has ordered updated playground equipment for three of the City Parks.

CONTACTING THE CITY

This financial report is designed with a general overview of the City's finances and to demonstrate accountability for the money it receives from taxpayers, customers, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Hueytown City Hall, 1318 Hueytown Road, Hueytown, Alabama 35023, by calling (205) 491-7010, by sending an email to cityhall@hueytownal.gov or visiting our website at www.hueytownal.gov.

CITY OF HUEYTOWN, ALABAMA
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,909,651	\$ 105,609	\$ 13,015,260
Receivables (net of allowance)	162,253	274,959	437,212
Prepaid expenditures	284,200	-	284,200
Restricted cash and cash equivalents	8,276,113	-	8,276,113
Capital assets:			
Land and construction in progress	7,293,625	-	7,293,625
Other assets, net of accumulated depreciation	8,801,881	-	8,801,881
Total assets	<u>37,727,723</u>	<u>380,568</u>	<u>38,108,291</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	3,572,233	-	3,572,233
Deferred outflows related to OPEB	226,025	-	226,025
	<u>3,798,258</u>	<u>-</u>	<u>3,798,258</u>
LIABILITIES			
Accounts payable	227,694	57,016	284,710
Accrued payroll and related liabilities	149,356	-	149,356
Deposits	-	53,936	53,936
Accrued interest	93,636	-	93,636
Other liabilities	15,508	-	15,508
Noncurrent liabilities:			
Due within 1 year	532,496	-	532,496
Due in more than 1 year	13,036,668	-	13,036,668
Net pension liability	10,413,004	-	10,413,004
Net other post employment benefit liability	647,790	-	647,790
Total liabilities	<u>25,116,152</u>	<u>110,952</u>	<u>25,227,104</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	3,271,651	-	3,271,651
Deferred inflows related to OPEB	147,595	-	147,595
Revenue applicable to future year	-	241,840	241,840
	<u>3,419,246</u>	<u>241,840</u>	<u>3,661,086</u>
NET POSITION			
Net investment in capital assets	6,108,362	-	6,108,362
Restricted for:			
Debt service	324,985	-	324,985
Capital projects	1,044,388	-	1,044,388
Public protection	261,584	-	261,584
Public ways and facilities	6,018	-	6,018
Infrastructure maintenance	1,665,814	-	1,665,814
Library	7,833	-	7,833
American Rescue Plan Act Recovery Plans	3,642,466	-	3,642,466
Unrestricted	(70,867)	27,776	(43,091)
Total net position	<u>\$ 12,990,583</u>	<u>\$ 27,776</u>	<u>\$ 13,018,359</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,997,754	\$ 2,301,524	\$ 1,823,115	\$ -	\$ 2,126,885	\$ -	\$ 2,126,885
Public protection	10,306,055	802,153	-	188,404	(9,315,498)	-	(9,315,498)
Public ways and facilities	2,666,995	563,577	431,600	237,599	(1,434,219)	-	(1,434,219)
Interest and fiscal agent fees	381,116	-	-	-	(381,116)	-	(381,116)
Total governmental activities	<u>15,351,920</u>	<u>3,667,254</u>	<u>2,254,715</u>	<u>426,003</u>	<u>(9,003,948)</u>	<u>-</u>	<u>(9,003,948)</u>
Business-Type Activities							
Solid waste	<u>1,219,757</u>	<u>1,174,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,830)</u>	<u>(44,830)</u>
Total Primary Government	<u>\$ 16,571,677</u>	<u>\$ 4,842,181</u>	<u>\$ 2,254,715</u>	<u>\$ 426,003</u>	<u>\$ (9,003,948)</u>	<u>\$ (44,830)</u>	<u>\$ (9,048,778)</u>
General revenues:							
Taxes:							
Property taxes					\$ 1,257,931	\$ -	\$ 1,257,931
Sales and use taxes					11,351,393	-	11,351,393
Other taxes					1,071,274	-	1,071,274
Interest					160,069	367	160,436
Gain on sale of assets					<u>27,574</u>	<u>-</u>	<u>27,574</u>
Total general revenues					<u>13,868,241</u>	<u>367</u>	<u>13,868,608</u>
Change in net position					4,864,293	(44,463)	4,819,830
Net position, beginning, restated					<u>8,126,290</u>	<u>72,239</u>	<u>8,198,529</u>
Net position, ending					<u>\$ 12,990,583</u>	<u>\$ 27,776</u>	<u>\$ 13,018,359</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2022

	General Fund	2022 GOW Capital Projects Fund	2014 GOW Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 12,909,651	\$ -	\$ -	\$ -	\$ -	\$ 12,909,651
Receivables	162,250	-	-	-	3	162,253
Due from other funds	272,437	-	-	1,882	16,066	290,385
Prepaid expenses	284,200	-	-	-	-	284,200
Restricted cash and cash equivalents	809,088	547,705	932,390	3,640,584	2,346,346	8,276,113
Total assets	<u>\$ 14,437,626</u>	<u>\$ 547,705</u>	<u>932,390</u>	<u>3,642,466</u>	<u>\$ 2,362,415</u>	<u>\$ 21,922,602</u>
LIABILITIES						
Accounts payable	\$ 227,364	\$ -	\$ -	\$ -	\$ 330	\$ 227,694
Due to other funds	1,882	-	272,437	-	16,066	290,385
Accrued payroll and related liabilities	149,356	-	-	-	-	149,356
Other liabilities	15,508	-	-	-	-	15,508
Total liabilities	<u>394,110</u>	<u>-</u>	<u>272,437</u>	<u>-</u>	<u>16,396</u>	<u>682,943</u>
FUND BALANCE						
Nonspendable	284,200	-	-	-	-	284,200
Restricted for:						
Debt service	-	-	-	-	418,621	418,621
Capital projects	769,120	547,705	659,953	-	-	1,976,778
Public protection	-	-	-	-	261,584	261,584
Public ways and facilities	6,018	-	-	-	-	6,018
Infrastructure maintenance	-	-	-	-	1,665,814	1,665,814
Library	7,833	-	-	-	-	7,833
American Rescue Plan Act Recovery Funds	-	-	-	3,642,466	-	3,642,466
Assigned for:						
Library	97,283	-	-	-	-	97,283
Public protection	289,517	-	-	-	-	289,517
Unassigned	12,589,545	-	-	-	-	12,589,545
Total fund balance	<u>14,043,516</u>	<u>547,705</u>	<u>659,953</u>	<u>3,642,466</u>	<u>2,346,019</u>	<u>21,239,659</u>
Total liabilities and fund balance	<u>\$ 14,437,626</u>	<u>\$ 547,705</u>	<u>\$ 932,390</u>	<u>\$ 3,642,466</u>	<u>\$ 2,362,415</u>	<u>\$ 21,922,602</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2022

Total fund balance - governmental funds	\$ 21,239,659
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities that are not financial resources and are not reported in the funds (Note E).	16,095,506
Deferred outflows of resources are contributions to the pension and OPEB plan subsequent to the measurement date of the collective net pension liability and before the end of the employer's reported period are not financial resources and are not reported in the funds.	3,798,258
Long-term liabilities of governmental funds, including warrants payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds (Note B).	(24,723,594)
Deferred inflows of resources is the net difference between projected and actual earnings on pension plan investments that are not financial resources and are not reported in the funds (Note I).	<u>(3,419,246)</u>
Net position of governmental activities	<u><u>\$ 12,990,583</u></u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2022

	General Fund	2022 GOW Capital Projects Fund	2014 GOW Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,257,931	\$ -	\$ -	\$ -	\$ -	\$ 1,257,931
Sales and use taxes	11,351,393	-	-	-	-	11,351,393
Other taxes	1,071,274	-	-	-	431,601	1,502,875
Licenses and permits	2,179,124	-	-	-	-	2,179,124
Intergovernmental	305,509	-	-	1,823,115	-	2,128,624
Charges for services	71,268	-	-	-	276,049	347,317
Fines and forfeitures	270,489	-	-	-	69,577	340,066
Donations, gifts and grants	32,091	-	-	-	88,404	120,495
Interest	152,270	2,925	1,258	-	3,617	160,070
Garbage fund management fee	525,000	-	-	-	-	525,000
Other revenues	77,489	-	-	-	-	77,489
Total revenues	<u>17,293,838</u>	<u>2,925</u>	<u>1,258</u>	<u>1,823,115</u>	<u>869,248</u>	<u>19,990,384</u>
EXPENDITURES						
General government	1,590,017	3,914,089	-	-	-	5,504,106
Public protection	10,069,754	-	-	-	344,222	10,413,976
Public ways and facilities	2,373,414	-	272,437	-	272,090	2,917,941
Debt service:						
Principal	-	-	-	-	407,033	407,033
Interest and fees	-	-	-	-	201,396	201,396
Bond issue costs	-	108,551	-	-	-	108,551
Total expenditures	<u>14,033,185</u>	<u>4,022,640</u>	<u>272,437</u>	<u>-</u>	<u>1,224,741</u>	<u>19,553,003</u>
Excess (deficiency) of revenues over expenditures	3,260,653	(4,019,715)	(271,179)	1,823,115	(355,493)	437,381
OTHER FINANCING SOURCES (USES)						
Bond discounts	-	(46,580)	-	-	-	(46,580)
General obligation warrants issued	-	4,500,000	-	-	-	4,500,000
Sale of capital assets	27,574	-	-	-	-	27,574
Transfers in	-	114,000	-	-	718,478	832,478
Transfers (out)	(832,478)	-	-	-	-	(832,478)
Total other financing sources (uses)	<u>(804,904)</u>	<u>4,567,420</u>	<u>-</u>	<u>-</u>	<u>718,478</u>	<u>4,480,994</u>
Net change in fund balance	2,455,749	547,705	(271,179)	1,823,115	362,985	4,918,375
Fund balance, beginning	<u>11,587,767</u>	<u>-</u>	<u>931,132</u>	<u>1,819,351</u>	<u>1,983,034</u>	<u>16,321,284</u>
Fund balance, ending	<u>\$ 14,043,516</u>	<u>\$ 547,705</u>	<u>\$ 659,953</u>	<u>\$ 3,642,466</u>	<u>\$ 2,346,019</u>	<u>\$ 21,239,659</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, 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, 2022

Net change in fund balances - total governmental funds	\$ 4,918,375
Amounts reported for governmental activities in the Statement of Activities are different because:	
CAPITAL ASSET TRANSACTIONS	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	4,835,411
Depreciation expense on capital assets is reported in the government-wide statement of activities, but do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds (Note E).	(785,269)
LONG-TERM DEBT	
For governmental funds, the issuance of long-term debt provides current financial resources and the repayment of long-term debt consumes current financial resources. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt, accrued interest and related items (Note B).	(4,086,704)
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Compensated absences	219,391
Other post employment benefit expense	7,157
Pension expense	(244,068)
Net change in net assets of governmental activities	\$ <u><u>4,864,293</u></u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
 STATEMENT OF NET POSITION -
 PROPRIETARY FUND
 September 30, 2022

	Business-type Activity - Enterprise Fund
	Garbage Fund
ASSETS	
Current assets:	
Cash	\$ 105,609
Receivables (net of allowance, \$14,614)	274,959
Total current assets	380,568
LIABILITIES	
Current liabilities:	
Accounts payable	57,016
Deposits	53,936
Total current liabilities	110,952
DEFERRED INFLOWS OF RESOURCES	
Revenue applicable to future year	241,840
Total unrestricted net position	\$ 27,776

CITY OF HUEYTOWN, ALABAMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND
For the Year Ended September 30, 2022

	Business-type Activity - Enterprise Fund <hr/> Garbage Fund <hr/>
OPERATING REVENUE	
Charges for services	\$ 1,174,927
OPERATING EXPENSES	
Operations and maintenance	694,757
Mangement fee paid to General Fund	525,000
	<hr/> 1,219,757
OPERATING (LOSS)	(44,830)
NONOPERATING INCOME	
Interest	367
	<hr/> 367
Change in net position	(44,463)
Total net position, beginning	72,239
Total net position, ending	\$ <hr/> <hr/> 27,776

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the Year Ended September 30, 2022

	Business-type Activity - Enterprise Fund <u>Garbage Fund</u>
OPERATING ACTIVITIES	
Cash receipts from customers	\$ 1,181,184
Cash paid to suppliers for services	(694,360)
Cash paid for interfund services used	<u>(525,000)</u>
Net cash (used) by operating activities	(38,176)
INVESTING ACTIVITIES	
Interest	<u>367</u>
Net cash provided by investing activities	<u>367</u>
Net decrease in cash and cash equivalents	(37,809)
Cash and cash equivalents, beginning of year	<u>143,418</u>
Cash and cash equivalents, end of year	\$ <u><u>105,609</u></u>
Operating (loss)	\$ (44,830)
Change in assets and liabilities:	
Decrease in accounts receivable	3,027
Increase in accounts payable	396
Increase in deposits	168
Increase in deferred inflows of resources	<u>3,063</u>
Net cash (used) by operating activities	\$ <u><u>(38,176)</u></u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the City are described below.

The Reporting Entity

The City of Hueytown, Alabama (the City) is a municipal organization incorporated under the Constitution and the laws of the State of Alabama. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), sanitation, recreation, library, public improvements, planning and zoning, and general administrative services.

Government-wide and Fund Financial Statements

Financial information of the City is presented as follows:

- *Basic Financial Statements:* Government-wide financial statements consist of a statement of net position and a statement of activities. They report information on all of the non-fiduciary activities of the City.

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

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2022 GOW Capital Projects Fund is used to account for financial resources that are received and used for the acquisition, construction and improvement of capital assets.

2014 GOW Capital Projects Fund is used to account for financial resources that are received and used for the acquisition, construction and improvement of capital assets.

The American Rescue Plan Act (ARPA) Grant Fund is used to account for the grant proceeds and expenditures related to the City's American Rescue Plan Act plan funding. These funds can only be spent for eligible uses including, (1) to respond to the public health emergency or its negative economic impacts, (2) provide premium pay to eligible employees for essential work; (3) to address revenue reductions; and (4) infrastructure investments in water, sewer or broadband.

The City reports the following major enterprise fund:

The Garbage Fund accounts for the operation of the City's solid waste and sanitation program, a self-supporting activity, which provides for the collection and disposal of solid waste on a user charge basis to residents and businesses located in the City.

Nonmajor funds are aggregated and presented in a single column. The City's nonmajor funds are comprised of special revenue funds and the debt service fund.

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

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

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Garbage Fund are charges to customers for services. Operating expenses for the enterprise fund includes the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Cash and Cash Equivalents

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

Receivables and Payables

All outstanding balances between funds are reported as “internal balances.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes are assessed on October 1 and levied on the subsequent October 1 for the fiscal year beginning on the levy date, at which time a lien is attached. These taxes are due and payable on October 1 (levy date) and delinquent after December 31 in each year (except with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid by June 15 following the due date, a tax sale is to be held. Revenue is recognized in the year when the taxes are levied and collected. The taxes are collected by the Jefferson County, Alabama tax collector and remitted to the City.

Prepaid Expenditures

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, streetlights, and similar items) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets tangible in nature, with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when they are constructed. Interest incurred during the construction phase of business-type activities is reflected in the capitalized value of the asset constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Sidewalks and streets	50 years
Improvements	10-15 years
Furniture and equipment	5-16 years
Drainage systems	50 years

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Compensated Absences

It is the City's policy to permit eligible employees to accumulate earned but unused vacation, overtime, holiday and sick pay benefits. A maximum of 320 vacation hours (424 for firefighters) and a maximum of 240 overtime hours (480 for firefighters and police) may be carried forward each year and holiday and sick leave are accumulated with no year-end forfeiture. An unlimited amount of sick time may be carried forward, but all accumulated sick leave shall be forfeited upon separation from service. Compensated absences are not recorded as a liability in the governmental funds because expenditures related to compensated absences are recorded only when payment is due.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources, which represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City currently has two items that qualify for reporting in this category. The City reports deferred outflow items related to the City's pension plan which is further described in Note I and deferred outflow items related to the City's postemployment benefits other than pensions which is described in Note J.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources, which represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has three items that qualify for reporting in this category. The City has recorded the net difference between the projected and actual earnings on pension plan investments and postemployment benefits. The proprietary fund shows billed garbage services currently reported as a receivable relating to future services as a deferred inflow.

Fund Balances - Governmental Funds

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

- Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. The City Council has the authority to assign amounts to be used for specific purposes.

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

- Unassigned fund balance - amounts that are available for any purpose.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15). Restricted funds are used first as appropriate. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the finance committee has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

Coronavirus Pandemic

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected public education, workforces, economies, and financial markets globally, potentially leading to economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the City's operations and financial results at this time.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance - governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities of governmental funds, including warrants payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds." The detail of this \$24,723,594 difference is as follows:

Bonds payable	\$ 10,576,985
Unamortized bond premiums	342,548
Accrued interest payable	93,636
Compensated absences	2,649,631
Net pension liability	10,413,004
Net other post employment benefit liability	<u>647,790</u>
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental funds	<u>\$ 24,723,594</u>

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
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Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and net change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that "the issuance of long-term debt provides current financial resources, and the repayment of long-term debt consumes current financial resources. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt, accrued interest and related items." The detail of this \$4,086,704 difference is as follows:

General obligation warrants issued	\$ 4,500,000
Unamortized bond discount	(46,580)
Principal repayments:	
General obligation debt	(407,033)
Amortization of bond discounts and premiums	(30,852)
Accrued interest	<u>71,169</u>
Net adjustments to increase net changes in fund balances -total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,086,704</u>

NOTE C - DEPOSITS AND INVESTMENTS

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

At year-end, the government did not have any investment balances.

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy that all of its deposits be insured by federal depository insurance or the Security for Alabama Funds Enhancement, or SAFE program. The SAFE program is administered by the State Treasurer according to State of Alabama statute, and any bank or financial institution in the State of Alabama accepting deposits of public funds is required to insure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The entire pool stands behind each deposit. Eligible collateral are those securities currently designated as acceptable collateral for state deposits as defined by State law.

CITY OF HUEYTOWN, ALABAMA
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NOTE D - RECEIVABLES

Receivables consist of the following as of September 30, 2022:

	General Fund	Nonmajor Governmental Funds	Garbage Fund
Sales and use taxes	\$ 120,528	\$ -	\$ -
Licenses and permits	23,764	-	-
Charges for services	-	-	287,439
Other	17,958	3	2,134
	<u>162,250</u>	<u>3</u>	<u>289,573</u>
Less allowance for uncollectibles	-	-	(14,614)
	<u>\$ 162,250</u>	<u>\$ 3</u>	<u>\$ 274,959</u>

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance September 30, 2021	Additions/ Transfers-in	Deletions/ Transfers-out	Balance September 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,022,412	\$ 3,914,089	\$ -	\$ 6,936,501
Construction in progress	16,742	340,382	-	357,124
Total capital assets, not being depreciated	<u>3,039,154</u>	<u>4,254,471</u>	<u>-</u>	<u>7,293,625</u>
Capital assets, being depreciated:				
Buildings and building improvements	8,032,824	89,446	-	8,122,270
Infrastructure	1,450,075	-	-	1,450,075
Machinery and equipment	6,402,944	491,494	(78,890)	6,815,548
Total capital assets, being depreciated	<u>15,885,843</u>	<u>580,940</u>	<u>(78,890)</u>	<u>16,387,893</u>
Less accumulated depreciation for:				
Buildings and building improvements	2,960,110	189,704	-	3,149,814
Infrastructure	250,829	28,988	-	279,817
Machinery and equipment	3,668,694	566,577	(78,890)	4,156,381
Total accumulated depreciation	<u>6,879,633</u>	<u>785,269</u>	<u>(78,890)</u>	<u>7,586,012</u>
Total capital assets, being depreciated, net	<u>9,006,210</u>	<u>(204,329)</u>	<u>-</u>	<u>8,801,881</u>
Governmental activities capital assets, net	<u>\$ 12,045,364</u>	<u>\$ 4,050,142</u>	<u>\$ -</u>	<u>\$ 16,095,506</u>

CITY OF HUEYTOWN, ALABAMA
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Depreciation expense for all depreciable assets is charged to functions/programs of the Government as follows:

Governmental activities:

General government:

Administrative	\$	76,646	
General		18,753	
Community improvement		37,932	\$ 133,331

Public protection:

Court		3,753	
Fire		228,286	
Police		157,345	
Municipal Jail		68,722	
Dispatch		15,793	473,899

Public ways and facilities:

Park and recreation		58,415	
Public Utilities		21,807	
Street		97,817	178,039
			<u>\$ 785,269</u>

NOTE F - INTERFUND TRANSFERS

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

The composition of interfund balances as of September 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
<u>Governmental Activities:</u>		
ARPA Grant Fund	General Fund	\$ 1,882
General Fund	2014 GOW	272,437
Nonmajor Fund	Nonmajor Fund	16,066
		<u>\$ 290,385</u>
Transfers In/Out:		
<u>Transfers Out:</u>		
From General Fund to 2022 GOW		\$ 114,000
From General Fund to nonmajor fund		718,478
		<u>\$ 832,478</u>
<u>Transfers in:</u>		
To 2022 GOW from General Fund		\$ 114,000
To nonmajor fund from General Fund		718,478
		<u>\$ 832,478</u>

CITY OF HUEYTOWN, ALABAMA
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In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

NOTE G - LONG-TERM DEBT

General Obligation Warrants

The City issues general obligation (“G.O.”) Warrants, which is a direct obligation and pledge of the full faith and credit of the City, for the following purposes:

- a. For the acquisition and construction of major capital facilities.
- b. To refund other G.O. Warrants.

Source of Repayment of Long-Term Debt

Repayment of the City’s long-term debt is generally provided for as follows:

Type of Debt	Paid From	Resources Provided By
<u>Governmental Activities:</u>		
G.O. Warrants	Debt Service Fund	General Fund

Outstanding Debt

The amount of debt outstanding at September 30, 2022, and information related to it was as follows:

Series	Original Amount	Final Maturity	Interest Rates (%)	Ending Balance	Amount Due Within One Year
PRIMARY GOVERNMENT					
<u>Governmental Activities:</u>					
<i>G.O. Warrants</i>					
2019 GOW, Series A & B	\$ 955,698	11/28/2034	3.25%	\$ 796,985	\$ 58,915
2020 GOW	5,965,000	2/15/2034	3.0% - 2.2%	5,280,000	360,000
2022 GOW	<u>4,500,000</u>	5/1/2052	5.2% - 3.0%	<u>4,500,000</u>	<u>90,000</u>
Total government	\$ <u>11,420,698</u>			\$ <u>10,576,985</u>	\$ <u>508,915</u>

Future Debt Service

The City’s future debt service requirements on its outstanding warrants, notes and bonds as of September 30, 2022, are shown below. There is \$418,621 available in the Debt Service Fund to service general obligation debt.

CITY OF HUEYTOWN, ALABAMA
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PRIMARY GOVERNMENT

Governmental Activities:	G.O. Warrants	
	Principal	Interest
2023	\$ 508,915	\$ 387,469
2024	510,858	387,426
2025	527,866	367,918
2026	539,456	347,711
2027	560,298	326,606
2028-2032	3,152,668	1,297,758
2033-2037	1,781,924	882,339
2038-2042	765,000	693,425
2043-2047	975,000	480,575
2048-2052	1,255,000	202,280
	<u>\$ 10,576,985</u>	<u>\$ 5,373,507</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

PRIMARY GOVERNMENT

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation warrants:					
2019 GOW, Series A & B	\$ 854,018	\$ -	\$ (57,033)	\$ 796,985	\$ 58,915
2020 GOW	5,630,000	-	(350,000)	5,280,000	360,000
2022 GOW	-	4,500,000	-	4,500,000	90,000
Total general obligation warrants	6,484,018	4,500,000	(407,033)	10,576,985	508,915
Amounts deferred for:					
Issue discounts and premiums, net	419,980	(46,580)	(30,852)	342,548	-
	<u>419,980</u>	<u>(46,580)</u>	<u>(30,852)</u>	<u>342,548</u>	<u>-</u>
Total general obligation warrants	6,903,998	4,453,420	(437,885)	10,919,533	508,915
Compensated absences	2,869,022	1,092,727	(1,312,118)	2,649,631	23,581
Total long-term liabilities	<u>\$ 9,773,020</u>	<u>\$ 5,546,147</u>	<u>\$ (1,750,003)</u>	<u>\$ 13,569,164</u>	<u>\$ 532,496</u>

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

Arbitrage Compliance

As an issuer of tax-exempt obligations, the City must comply with Section 148 of the Internal Revenue Code whereby arbitrage on tax-exempt warrants, if any, is rebated to the IRS. The City is in compliance with Section 148 requirements.

CITY OF HUEYTOWN, ALABAMA
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NOTE H - LEASE OBLIGATIONS

Operating Leases

The City was not obligated on any significant operating leases as of September 30, 2022.

Capital Leases

The City was not obligated on any capital leases as of September 30, 2022.

NOTE I - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The Employees' Retirement System of Alabama (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 13 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective October 1, 2021. 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.
 - c. One full time employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - d. One full time employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - e. One full time employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - f. One full time 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.

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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. The City of Hueytown elected to provide Tier 1 benefits to Tier 2 employees. As a result, effective October 1, 2021, the benefits provided to Tier 2 employees are the same as those provided to Tier 1 employees.

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.

As of September 30, 2021, membership consisted of:

	<u>Hueytown</u>
Retirees and beneficiaries currently receiving benefits	62
Vested inactive members	3
Non-vested inactive members	5
Active members	<u>116</u>
Total	<u><u>186</u></u>

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 statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 certified law enforcement, correctional officers', and firefighters' member contribution rates increased from 6% to 8.5% of earnable compensation.

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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.

In accordance with the provisions of Act 2019-132, the City's Tier 2 covered members of the ERS contribute 7.5% of earnable compensation to the ERS. The City's Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.5% of earnable compensation.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2022, the City's active employee contribution rate was 7.50% percent of covered employee payroll for Tier 1 employees and Tier 2 employees, and the City's average contribution rate to fund the normal and accrued liability costs was 13.45% percent of covered employee payroll.

The City's contractually required contribution rate for the year ended September 30, 2022 was 12.98% of pensionable pay for Tier 1 employees, and 14.23% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2019, 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 System were \$1,047,770 for the year ended September 30, 2022.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2020 rolled forward to September 30, 2021 using standard roll-forward techniques as shown in the following table:

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	Expected	Actual Before Act 2019-132	Actual After Act 2019- 132	Actual After 2020 Experience Study
(a) Total pension liability as of September 30, 2020	\$ 38,134,192	\$ 37,483,077	\$ 37,717,327	\$ 39,295,580
(b) Discount rate	7.70%	7.70%	7.70%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2020 - September 30, 2021	686,727	686,727	727,783	812,337
(d) Transfers among employers	-	(152,425)	(152,425)	(152,425)
(e) Actual Benefit Payments and refunds for the period October 1, 2020 - September 30, 2021	(2,222,505)	(2,222,505)	(2,222,505)	(2,222,505)
(f) Total Pension Liability as of September 30, 2021 = [(a) x (1+(b))]+ (c) + (d) + [(e) x (1+0.5*(b))]	<u>\$ 39,449,180</u>	<u>\$ 38,595,504</u>	<u>\$ 38,888,848</u>	<u>\$ 40,577,719</u>
(g) Difference between Expected and Actual		\$ (853,676)		
(h) Less liability transferred for immediate recognition		<u>(152,425)</u>		
(i) Experience (gain)/loss = (g) - (h)		<u>\$ (701,251)</u>		
(j) Difference between Actual TPL Before and After Act 2019-132 - Benefit Change (Gain)/Loss			<u>\$ 293,344</u>	
(k) Difference between Actual TPL Before and After 2020 Experience Study - Assumption Change (Gain)/Loss				<u>\$ 1,688,871</u>

Actuarial assumptions. The total pension liability as of September 30, 2021 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2020. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.25% - 6.00% for State and Local Employees
	4.00% - 7.75% for State Police, including inflation
Investment rate of return	7.45%, including inflation

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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 Health 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, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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	15.00%	2.80%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash equivalents	5.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.00%.

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 ERS Board of Control. Based on those assumptions, components of the pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2020	\$ 38,134,192	\$ 25,550,053	\$ 12,584,139
Changes for the year:			
Service cost	686,727	-	686,727
Interest	2,850,766	-	2,850,766
Changes of benefit terms	293,343	-	293,343
Changes of assumptions	1,688,873	-	1,688,873
Difference between expected and actual experience	(701,251)	-	(701,251)
Contributions - Employer	-	992,632	(992,632)
Contributions - Employee	-	429,020	(429,020)
Net investment income	-	5,567,941	(5,567,941)
Benefit payments, including refunds of employee contributions	(2,222,505)	(2,222,505)	-
Administrative expense	-	-	-
Transfers amount employers	(152,425)	(152,425)	-
Net changes	<u>2,443,528</u>	<u>4,614,663</u>	<u>(2,171,135)</u>
Balances at September 30, 2021	<u>\$ 40,577,720</u>	<u>\$ 30,164,716</u>	<u>\$ 10,413,004</u>

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the City's net pension liability calculated using the discount rate of 7.45%, 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%)
Plan's Net Pension Liability	<u>\$ 15,450,237</u>	<u>\$ 10,413,004</u>	<u>\$ 6,189,123</u>

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, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2021. 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 <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2022, the City recognized pension expense of \$1,269,403. At September 30, 2022, 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	\$ 698,550	\$ 1,082,604
Changes of assumptions	1,825,913	-
Net difference between projected and actual earnings on pension plan investments	-	2,189,047
Employer contributions subsequent to the measurement date	<u>1,047,770</u>	<u>-</u>
Total	<u>\$ 3,572,233</u>	<u>\$ 3,271,651</u>

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

Year Ended September 30:	
2023	\$ (34,783)
2024	(120,425)
2025	(414,674)
2026	(482,108)
2027	243,076
Thereafter	61,726

NOTE J - POST-EMPLOYMENT BENEFITS

Plan Description

The City of Hueytown (the City) provides certain continuing health care benefits for its retired employees. The City of Hueytown’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 75, paragraph 4, *Postemployment Benefits Other Than Pensions - Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria - Defined Benefit*.

Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. However, in order to be eligible for employer provided retiree medical benefits, the retiree must have at least 15 years of service and have attained age 60. The employer pays for 30% of the medical benefits at age 60 and 15 years of service; 50% at age 60 with 20 years of service; and 75% at age 55 with 25 years of service. The retiree pays the full additional contribution for elected family coverage. Employer benefits of the retiree coverage ceases at age 65. Complete plan provisions are included in the official plan documents.

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Employees covered by benefit terms - At September 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>107</u>
Total	<u><u>115</u></u>

Total OPEB Liability

The City's total OPEB liability of \$647,790 was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs - The total OPEB liability in the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary scale	3.50%
Prior discount rate	2.50% (-0.75% real rate of return plus 3.00% inflation)
Discount rate	4.77% (2.27% real rate of return plus 2.50% inflation)
Healthcare cost trend rates	4.50% level

The discount rate was selected by reviewing the recently published S&P Municipal Bond 20 Year High Grade Rate Index. This index is published daily and is trending up in recent months. A discount rate of 4.77% was selected.

Mortality rates were based on the RPH-2014 Total Table with Projection MP-2021.

Changes in Total OPEB Liability

Balance at October 1, 2021	\$ 593,385
Service cost	29,410
Interest cost	13,265
Differences between expected and actual experience	249,202
Changes in assumptions	(170,986)
Benefit payments and net transfers	<u>(66,486)</u>
Net changes	<u>54,405</u>
Balance at September 30, 2022	<u><u>\$ 647,790</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage-point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB liability	\$ <u>592,059</u>	\$ <u>647,790</u>	\$ <u>710,422</u>

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare trend rates:

	1% Decrease (3.50%)	Current Trend (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$ 581,824	\$ 647,790	\$ 726,114

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$55,852. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 214,111	\$ -
Changes of assumptions	11,914	(147,595)
Net difference between projected and actual investments	-	-
Total	\$ 226,025	\$ (147,595)

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

Year Ending September 30:		
2023	\$	13,177
2024		13,177
2025		13,177
2026		13,177
2027		12,706
Thereafter		14,016

NOTE K - RISK MANAGEMENT

The City is a defendant in numerous lawsuits and has been notified of numerous claims against it arising from alleged negligence related to motor vehicles and other matters related to the normal operations of a municipality. The City believes that any liability resulting from such lawsuits and claims will be covered adequately by the liability insurance and funds of the City, which will be available to discharge such liability without impairing its ability to perform any of its other obligations.

NOTE L - TAX ABATEMENTS

The City extends abatement agreements in accordance with Alabama Constitutional Amendment 772. Applicants must show their development or redevelopment benefits the citizens of the City by increasing the economic tax base, increase jobs to the area or otherwise improving the City. In the year ending September 30, 2022, the City had two active tax abatements for retail developments:

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

Hueytown CGP, LLC - According to the terms of the agreement, the City will return 35% of the City's 4% sales tax proceeds received from the retailer for ten years after the retailer opens to the public or until a maximum of \$750,000 has been paid to the developer, whichever comes first. The abatement amounted to \$90,672 during the fiscal year ended September 30, 2022.

Buy-Lo Quality Food Stores, Inc. - According to the terms of the agreement, the City will return 25% of the City's 4% sales tax proceeds received from the retailer for ten years after the retailer opens to the public or until a maximum of \$1,000,000 has been paid to the developer, whichever comes first. The abatement amounted to \$90,247 during the fiscal year ended September 30, 2022.

NOTE M - ECONOMIC DEPENDENCY

The City is economically dependent on a small number of principal taxpayers. Sales and use tax revenue accounted for 57% of total governmental fund-type revenues for the year ended September 30, 2022. Sales and use tax revenues received from one (1) major taxpayer accounted for 23% of the total sales and use tax collected city-wide. In addition, business license revenues received from one (1) major company accounted for 35% of the total business license revenues collected city-wide.

NOTE N - NEW ACCOUNTING PRONOUNCEMENTS

For the fiscal year ended September 30, 2022, the City implemented the following new accounting standards:

The City implemented GASB Statement No. 87, *Leases* to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of GASB 87 were originally effective for fiscal years beginning after December 15, 2019, but was extended to fiscal years beginning after December 15, 2020, with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*. The City is currently evaluating the impact GASB 87 may have on its financial statements. The City is not currently obligated under any significant leases therefore, the implementation of this statement did not result in any change in the City's financial statements.

The City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. The requirements of GASB 89 are effective for fiscal years beginning after December 15, 2020. The implementation of this statement did not result in any change in the City's financial statements.

The City implemented GASB Statement No. 92 *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The implementation of this statement did not result in any change in the City's financial statements.

The City implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefits plans that were effective immediately, it also clarifies when a 457 plan should be considered a pension plan or another employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The implementation of this statement did not result in any change in the City's financial statements.

NOTE O - FUTURE ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 91, *Conduit Debt Obligations* to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of GASB 91 were originally effective for fiscal years beginning after December 15, 2020, but was extended to fiscal years beginning after December 15, 2021, with the issuance of

CITY OF HUEYTOWN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*. The City is currently evaluating the impact GASB 91 may have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, which relates to the extension of the use of LIBOR, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34 and terminology updates that take effect upon issuance. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, that will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this statement are effective for fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, that will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective will be achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE P - PRIOR PERIOD ADJUSTMENT

The beginning net position of the Governmental Activities in the government-wide Statement of Net Position has been restated to correct the OPEB liability as of September 30, 2021. A reconciliation of the prior period ending net position to the current year beginning net position for the Governmental Activities is as follows:

Beginning net position	\$ 8,167,241
Adjustment to correct OPEB liability	<u>(40,951)</u>
Beginning net position, as restated	<u>\$ 8,126,290</u>

The above adjustment had no impact on the current year change in net position.

NOTE Q - SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through March 3, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	General Fund			
	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,257,931	\$ 57,931
Sales and use taxes	9,612,014	9,612,014	11,351,393	1,739,379
Other taxes	914,363	914,363	1,071,274	156,911
Licenses and permits	2,086,900	2,086,900	2,179,124	92,224
Intergovernmental	157,000	157,000	305,509	148,509
Charges for services	91,537	91,537	71,268	(20,269)
Fines and forfeitures	357,491	357,491	270,489	(87,002)
Donations, gifts and grants	17,761	17,761	32,091	14,330
Interest	58,001	58,001	152,270	94,269
Garbage fund management fee	525,000	525,000	525,000	-
Other revenues	12,100	12,100	77,489	65,389
Total revenues	<u>15,032,167</u>	<u>15,032,167</u>	<u>17,293,838</u>	<u>2,261,671</u>
EXPENDITURES				
General government	1,959,487	1,959,487	1,590,017	369,470
Public protection	9,683,585	9,739,768	10,069,754	(329,986)
Public ways and facilities	2,400,655	2,481,220	2,373,414	107,806
Total expenditures	<u>14,043,727</u>	<u>14,180,475</u>	<u>14,033,185</u>	<u>147,290</u>
Excess (deficiency) of revenues over expenditures	988,440	851,692	3,260,653	2,408,961
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	10,000	27,574	17,574
Transfers in	135,000	135,000	-	(135,000)
Transfers (out)	(1,109,573)	(1,109,573)	(832,478)	277,095
Total other financing sources (uses)	<u>(964,573)</u>	<u>(964,573)</u>	<u>(804,904)</u>	<u>159,669</u>
Net change in fund balance	\$ <u>23,867</u>	\$ <u>(112,881)</u>	2,455,749	\$ <u>2,568,630</u>
Fund balance, beginning			<u>11,587,767</u>	
Fund balance, ending			<u>\$ 14,043,516</u>	

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
GENERAL GOVERNMENT				
ADMINISTRATIVE				
Capital outlay	\$ 213,949	\$ 213,949	\$ -	\$ 213,949
Salaries	479,216	479,216	483,232	(4,016)
Auditing	110,000	110,000	97,752	12,248
Bank service charges	3,305	3,305	2,452	853
Claims against the City	54,117	54,117	-	54,117
Convention	2,500	2,500	9,280	(6,780)
Dues and subscriptions	69,348	69,348	42,274	27,074
Engineering services	50,000	50,000	27,606	22,394
Equipment rental and maintenance	47,971	47,971	2,512	45,459
Insurance - Hospital and accident	54,735	54,735	46,992	7,743
- Equipment and liability	-	-	8,849	(8,849)
- Workman's compensation	1,149	1,149	498	651
Legal services	102,000	102,000	116,427	(14,427)
Legal advertising and publications	1,450	1,450	164	1,286
Miscellaneous	1,498	1,498	259	1,239
Office supplies	25,000	25,000	11,890	13,110
Other professional services	14,800	14,800	19,433	(4,633)
Payroll taxes and unemployment	36,629	36,629	36,522	107
State retirement	61,673	61,673	65,570	(3,897)
Telephone	800	800	1,270	(470)
Training	21,000	21,000	15,969	5,031
Total administrative	1,351,140	1,351,140	988,951	362,189
GENERAL				
Capital outlay	-	-	43,125	(43,125)
Community Projects/ Outreach	17,500	17,500	15,796	1,704
Data processing and software	2,013	2,013	2,784	(771)
Supplies	500	500	51	449
Insurance and bonds	12,478	12,478	12,612	(134)
Insurance - Workman's compensation	195	195	58	137
Mayor and council expenses	5,000	5,000	3,593	1,407
Overtime - All departments	75,000	75,000	-	75,000
Payroll taxes	6,212	6,212	5,694	518
Salaries - Mayor/Council	81,200	81,200	81,200	-
Special projects emergency allocation	3,250	3,250	-	3,250
Telephone - Cellular	1,000	1,000	967	33
Total general	204,348	204,348	165,880	38,468
BUILDING AND INSPECTION				
Building demolition	7,000	7,000	89,524	(82,524)
Salaries	186,726	186,726	147,845	38,881
Data processing and software	6,798	6,798	5,611	1,187
Dues and subscriptions	2,204	2,204	2,254	(50)
Equipment maintenance and operations	3,975	3,975	4,061	(86)
Insurance - Hospital and accident	17,483	17,483	16,671	812
- Equipment and liability	17,411	17,411	17,617	(206)
- Workman's compensation	4,925	4,925	950	3,975
Maps and blue prints	500	500	-	500
Miscellaneous	400	400	20	380
Payroll taxes and unemployment	14,285	14,285	10,661	3,624
Publications	630	630	240	390
State retirement	27,393	27,393	19,794	7,599
Supplies	1,500	1,500	1,230	270
Telephone	975	975	1,351	(376)

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Training	\$ 1,500	\$ 1,500	\$ 493	\$ 1,007
Uniforms	500	500	-	500
Zoning board expenditures	300	300	-	300
Total building and inspection	294,505	294,505	318,322	(23,817)
RETIREES HEALTH INSURANCE & ONE TIME LUMP SUM PAYMENT	109,494	109,494	116,864	(7,370)
TOTAL GENERAL GOVERNMENT	1,959,487	1,959,487	1,590,017	369,470
PUBLIC PROTECTION				
COURT DEPARTMENT				
Salaries	350,231	350,231	281,964	68,267
Data processing and software	10,731	10,731	15,142	(4,411)
Defensive driving school	13,500	13,500	2,000	11,500
Dues and subscriptions	7,015	7,015	7,223	(208)
Equipment rental and maintenance	1,000	1,000	189	811
Insurance - Hospital and accident	27,628	27,628	20,063	7,565
- Equipment and liability	6,674	6,674	6,776	(102)
- Workman's compensation	4,951	4,951	1,587	3,364
Miscellaneous	64	64	3,124	(3,060)
Payroll taxes and unemployment	21,455	21,455	17,438	4,017
State retirement	27,135	27,135	29,135	(2,000)
Supplies	3,100	3,100	1,597	1,503
Telephone	500	500	487	13
Training	2,500	2,500	521	1,979
	476,484	476,484	387,246	89,238
Reimbursement from Municipal Judicial Fund	(36,408)	(36,408)	(36,408)	-
Total court department	440,076	440,076	350,838	89,238
POLICE DEPARTMENT - GENERAL OPERATIONS				
Capital outlay	39,072	50,072	413,481	(363,409)
Salaries	2,367,101	2,367,101	2,490,593	(123,492)
Data processing and software	96,325	96,325	91,119	5,206
Dues and subscriptions	44,559	44,559	44,900	(341)
Equipment maintenance and operations	32,057	32,057	2,452	29,605
Insurance - Hospital and accident	321,473	321,473	259,586	61,887
- Equipment and liability	73,415	73,415	74,203	(788)
- Workman's compensation	123,780	123,780	39,700	84,080
L.E.A.D.S. Online	3,000	3,000	3,021	(21)
Legal advertising and publications	500	500	79	421
Miscellaneous	3,750	3,750	6,438	(2,688)
NCIC terminal	8,500	8,500	-	8,500
Payroll taxes and unemployment	174,198	174,198	185,757	(11,559)
Publications	150	150	161	(11)
State retirement	322,348	322,348	323,290	(942)
Supplies	18,000	18,000	16,461	1,539
Telephone	20,933	20,933	36,448	(15,515)
Training	10,000	10,000	13,439	(3,439)
Uniforms	20,000	20,000	19,347	653
Vehicle operations and maintenance	129,800	129,800	164,801	(35,001)
	3,808,961	3,819,961	4,185,276	(365,315)
Reimbursement from UNIT Task Force Fund	(333)	(333)	(333)	-
Total police department - General operations	3,808,628	3,819,628	4,184,943	(365,315)

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
MUNICIPAL JAIL				
Salaries	\$ 435,946	\$ 435,946	\$ 357,409	\$ 78,537
Data processing and software	8,804	8,804	8,682	122
Dues and subscriptions	11,017	11,017	11,269	(252)
Facility repairs and maintenance	10,000	10,000	9,749	251
Insurance - Hospital and accident	101,317	101,317	70,257	31,060
- Equipment and liability	14,509	14,509	14,665	(156)
- Workman's compensation	21,698	21,698	7,414	14,284
Miscellaneous	5,800	5,800	5,837	(37)
Payroll taxes and unemployment	31,437	31,437	26,447	4,990
Prisoner expense	11,500	11,500	4,556	6,944
State retirement	53,155	53,155	48,932	4,223
Supplies	9,400	9,400	7,541	1,859
Uniforms	-	-	1,515	(1,515)
	<u>714,583</u>	<u>714,583</u>	<u>574,273</u>	<u>140,310</u>
Reimbursement from Corrections Fund	(123,700)	(123,700)	(95,082)	(28,618)
Total municipal jail	<u>590,883</u>	<u>590,883</u>	<u>479,191</u>	<u>111,692</u>
PUBLIC SAFETY DISPATCH				
Capital outlay	-	-	68,742	(68,742)
Salaries	603,839	603,839	664,394	(60,555)
Data processing and software	20,966	20,966	21,594	(628)
Dues and subscriptions	12,119	12,119	12,538	(419)
Equipment maintenance and operations	19,310	19,310	22,338	(3,028)
Insurance - Hospital and accident	108,075	108,075	87,951	20,124
- Equipment and liability	13,929	13,929	14,078	(149)
- Workman's compensation	1,401	1,401	463	938
Miscellaneous	4,000	4,000	2,957	1,043
Payroll taxes and unemployment	44,664	44,664	48,273	(3,609)
State retirement	82,273	82,273	90,768	(8,495)
Uniforms	3,000	3,000	2,426	574
Supplies	1,000	1,000	1,414	(414)
Telephone	1,626	1,626	6,025	(4,399)
	<u>916,202</u>	<u>916,202</u>	<u>1,043,961</u>	<u>(127,759)</u>
Reimbursement from E-911 Fund	(212,400)	(212,400)	(212,400)	-
Total public safety dispatch	<u>703,802</u>	<u>703,802</u>	<u>831,561</u>	<u>(127,759)</u>
FIRE DEPARTMENT				
Capital outlay	-	45,183	-	45,183
Salaries	2,644,990	2,644,990	2,730,005	(85,015)
Data processing and software	16,668	16,668	16,113	555
Dues and subscriptions	40,559	40,559	40,949	(390)
Equipment maintenance and operations	26,775	26,775	40,250	(13,475)
Hydrant maintenance	52,500	52,500	53,029	(529)
Insurance - Hospital and accident	341,647	341,647	289,993	51,654
- Equipment and liability	85,022	85,022	89,734	(4,712)
- Workman's compensation	126,324	126,324	43,182	83,142
Miscellaneous	9,850	9,850	7,424	2,426
Payroll taxes and unemployment	199,664	199,664	201,441	(1,777)
Supplies	36,250	36,250	46,920	(10,670)
Telephone	7,500	7,500	7,963	(463)
Training	9,500	9,500	11,183	(1,683)
Turnout gear	15,335	15,335	23,912	(8,577)
State retirement	377,542	377,542	364,014	13,528
Uniforms	15,000	15,000	14,722	278
Vehicle operations and maintenance	95,000	95,000	192,557	(97,557)
Total fire department	<u>4,100,126</u>	<u>4,145,309</u>	<u>4,173,391</u>	<u>(28,082)</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
FIRE STATION #1				
Facility maintenance and repairs	\$ 3,200	\$ 3,200	\$ 3,684	\$ (484)
Miscellaneous	100	100	-	100
Telephone	920	920	863	57
Total fire station #1	4,220	4,220	4,547	(327)
FIRE STATION #2				
Facility maintenance and repairs	5,800	5,800	10,562	(4,762)
Miscellaneous	300	300	1,400	(1,100)
Telephone	2,600	2,600	3,553	(953)
Utilities	11,000	11,000	9,294	1,706
Total fire station #2	19,700	19,700	24,809	(5,109)
FIRE STATION #3				
Facility maintenance and repairs	3,800	3,800	7,585	(3,785)
Miscellaneous	100	100	-	100
Telephone	2,900	2,900	3,666	(766)
Utilities	9,350	9,350	9,223	127
Total fire station #3	16,150	16,150	20,474	(4,324)
TOTAL PUBLIC PROTECTION	9,683,585	9,739,768	10,069,754	(329,986)
PUBLIC WAYS AND FACILITIES				
COMMUNITY IMPROVEMENT				
Capital outlay	-	-	7,610	(7,610)
Annexation	1,000	1,000	82	918
Community programs	20,000	40,000	24,800	15,200
Beautification board	2,500	2,500	300	2,200
Birmingham Regional Planning Commission	9,744	9,744	10,149	(405)
BREMS	2,800	2,800	2,786	14
Chamber of Commerce	60,000	60,000	60,000	-
Clas Tran	6,600	6,600	6,600	-
Data processing and software	96	96	100	(4)
Insurance - Workman's compensation	612	612	197	415
EMA	21,420	21,420	22,312	(892)
Jefferson County mayor's association	3,300	3,300	3,355	(55)
Maintenance	1,625	1,625	2,319	(694)
Mapping	16,000	16,000	-	16,000
Meal donation	1,000	1,000	1,523	(523)
Mental Health Board	1,500	1,500	1,500	-
Miscellaneous	1,149	1,149	2,051	(902)
Payroll taxes and unemployment	1,082	1,082	1,192	(110)
Salary - Senior citizens director	14,144	14,144	15,758	(1,614)
State retirement	1,639	1,639	2,279	(640)
Storm water fees	770	770	7,475	(6,705)
Street lighting - Christmas	2,800	2,800	2,046	754
Telephone	800	800	759	41
Utilities - Senior Citizens Center	6,500	6,500	5,140	1,360
Website	5,000	5,000	1,804	3,196
Total community improvement	182,081	202,081	182,137	19,944
LIBRARY	165,931	165,931	133,972	31,959
PARK AND RECREATION				
Capital outlay	5,000	5,000	20,617	(15,617)
Maintenance - Supply building, grounds	2,000	17,000	14,370	2,630

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Miscellaneous	\$ 700	\$ 700	\$ -	\$ 700
Utilities	19,000	19,000	18,880	120
Total park and recreation	26,700	41,700	53,867	(12,167)
 BUD NEWELL PARK				
Facility maintenance and repairs	7,000	27,617	15,721	11,896
Utilities	29,600	29,600	19,651	9,949
Total Bud Newell Park	36,600	57,217	35,372	21,845
 BROOKLANE COMMUNITY CENTER FACILITY REPAIRS	250	250	1,935	(1,685)
 MARTIN LUTHER KING PARK				
Capital outlay	-	-	37,728	(37,728)
Facility maintenance and repairs	999	25,947	69,159	(43,212)
Miscellaneous	100	100	-	100
Utilities	8,325	8,325	8,696	(371)
Total Martin Luther King Park	9,424	34,372	115,583	(81,211)
 MARTIN LUTHER KING COMMUNITY CENTER				
Capital outlay	-	-	9,288	(9,288)
Facility maintenance and repairs	1,500	1,500	8,798	(7,298)
Total Martin Luther King Community Center	1,500	1,500	18,086	(16,586)
 GIRLS BALLFIELD				
Capital outlay	20,000	20,000	-	20,000
Facility maintenance and repairs	2,000	2,000	860	1,140
Utilities	2,000	2,000	1,770	230
Total Girls ballfield	24,000	24,000	2,630	21,370
 COMMUNITY STORM SHELTER				
Capital outlay	110,000	110,000	-	110,000
Facility maintenance and repairs	1,500	1,500	2,478	(978)
Miscellaneous	100	100	-	100
Utilities	13,000	13,000	12,738	262
	124,600	124,600	15,216	109,384
 STREET DEPARTMENT				
Capital outlay	54,800	54,800	100,100	(45,300)
Salaries	709,655	709,655	674,657	34,998
Animal control	22,000	22,000	21,108	892
Dues and subscriptions	13,220	13,220	13,523	(303)
Equipment maintenance and operations	45,244	45,244	40,717	4,527
Engineering Services	-	-	219,429	(219,429)
Facility maintenance and repairs	1,000	1,000	333	667
Insurance - Hospital and accident	155,616	155,616	105,378	50,238
- Equipment and liability	58,036	58,036	58,758	(722)
- Workman's compensation	58,259	58,259	21,871	36,388
Miscellaneous	3,700	3,700	240	3,460
Other professional services	12,000	12,000	30,175	(18,175)
Payroll taxes and unemployment	54,250	54,250	50,376	3,874
State retirement	95,973	95,973	103,989	(8,016)
Supplies	24,100	24,100	13,695	10,405
Telephone	5,216	5,216	5,079	137
Uniforms	3,500	3,500	2,354	1,146
Utilities	19,300	19,300	14,649	4,651
Vehicle operations and maintenance	37,000	37,000	73,504	(36,504)
Total street department	1,372,869	1,372,869	1,549,935	(177,066)

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance- Favorable (Unfavorable)
PUBLIC UTILITY EXPENSES				
Capital outlay	\$ -	\$ -	\$ 4,419	\$ (4,419)
Data processing and software	127,700	127,700	75,879	51,821
Facility maintenance and repairs	100,000	100,000	8,630	91,370
Fuel inventory	20,000	20,000	22,971	(2,971)
Insurance - Equipment and liability	21,000	21,000	-	21,000
Maintenance - Supply building, grounds	60,000	60,000	29,532	30,468
Miscellaneous	100	100	110	(10)
Supplies	5,400	5,400	2,691	2,709
Telephone	25,000	25,000	22,808	2,192
Utilities	97,500	97,500	97,641	(141)
Total public utility expenses	<u>456,700</u>	<u>456,700</u>	<u>264,681</u>	<u>192,019</u>
TOTAL PUBLIC WAYS AND FACILITIES	<u>2,400,655</u>	<u>2,481,220</u>	<u>2,373,414</u>	<u>107,806</u>
TOTAL EXPENDITURES	<u>\$ 14,043,727</u>	<u>\$ 14,180,475</u>	<u>\$ 14,033,185</u>	<u>\$ 147,290</u>

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA
Last 10 Fiscal Years Ending September 30,

	2021	2020	2019	2018	2017	2016	2015	2014
<u>Total pension liability</u>								
Service Cost	\$ 686,727	\$ 688,751	\$ 671,961	\$ 679,944	\$ 645,066	\$ 616,625	\$ 617,191	\$ 585,150
Interest	2,850,766	2,669,450	2,600,676	2,511,935	2,417,705	2,244,212	2,107,896	2,005,995
Changes of benefit terms	293,343	-	-	-	-	-	-	-
Difference between expected and actual experience	(701,251)	976,328	(384,480)	(327,374)	(419,843)	11,028	389,048	-
Changes of assumptions	1,688,873	-	-	187,362	-	1,686,766	-	-
Benefit payments, including refunds of employee contributions	(2,222,505)	(1,991,460)	(1,917,826)	(1,621,121)	(1,614,140)	(1,400,979)	(1,419,390)	(1,215,373)
Transfers among employers	(152,425)	127,213	(40,342)	80,552	190,572	92,476	-	-
Net change in total pension liability	2,443,528	2,470,282	929,989	1,511,298	1,219,360	3,250,128	1,694,745	1,375,772
Total pension liability - beginning	38,134,192	35,663,910	34,733,921	33,222,623	32,003,263	28,753,135	27,058,390	25,682,618
Total pension liability - ending (a)	<u>\$ 40,577,720</u>	<u>\$ 38,134,192</u>	<u>\$ 35,663,910</u>	<u>\$ 34,733,921</u>	<u>\$ 33,222,623</u>	<u>\$ 32,003,263</u>	<u>\$ 28,753,135</u>	<u>\$ 27,058,390</u>
<u>Plan fiduciary net position</u>								
Contributions - Employer	\$ 992,632	\$ 975,468	\$ 983,654	\$ 860,656	\$ 881,505	\$ 902,173	\$ 899,042	\$ 888,372
Contributions - Employee	429,020	430,501	416,513	405,072	413,904	394,123	394,111	387,324
Net investment income	5,567,941	1,393,468	623,224	2,091,186	2,587,666	1,874,436	216,325	1,949,954
Benefit payments, including refunds of employee contributions	(2,222,505)	(1,991,460)	(1,917,826)	(1,621,121)	(1,614,140)	(1,400,979)	(1,419,390)	(1,215,373)
Transfers amount employers	(152,425)	127,213	(40,342)	80,552	190,572	92,476	48,569	82,574
Net change in plan fiduciary net position	4,614,663	935,190	65,223	1,816,345	2,459,507	1,862,229	138,657	2,092,851
Plan net position - Beginning	25,550,053	24,614,863	24,549,640	22,733,295	20,273,788	18,411,559	18,272,902	16,180,051
Plan net position - Ending (b)	<u>\$ 30,164,716</u>	<u>\$ 25,550,053</u>	<u>\$ 24,614,863</u>	<u>\$ 24,549,640</u>	<u>\$ 22,733,295</u>	<u>\$ 20,273,788</u>	<u>\$ 18,411,559</u>	<u>\$ 18,272,902</u>
Net pension liability - ending (a) - (b)	\$ 10,413,004	\$ 12,584,139	\$ 11,049,047	\$ 10,184,281	\$ 10,489,328	\$ 11,729,475	\$ 10,341,576	\$ 8,785,488
Plan fiduciary net position as a percentage of total pension liability	74.34%	67.00%	69.02%	70.68%	68.43%	63.35%	64.03%	67.53%
Covered-employee payroll*	\$ 7,447,741	\$ 7,526,550	\$ 7,340,594	\$ 7,166,807	\$ 7,212,567	\$ 6,924,388	\$ 6,934,443	\$ 6,504,192
Net pension liability as a percentage of covered-employee payroll	139.81%	167.20%	150.52%	142.10%	145.43%	169.39%	149.13%	135.07%

* Employer's covered payroll during the measurement period is the total covered payroll. For FY 2022 the measurement period is October 1, 2020 - September 30, 2021. GASB issued a statement "Pension Issues" in March 2016 to redefine covered payroll beginning with FY 2017.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA
Last 10 Fiscal Years Ending September 30,

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution*	\$ 1,047,770	\$ 1,015,067	\$ 1,003,621	\$ 971,530	\$ 886,413	\$ 979,236	\$ 926,879	\$ 922,934
Contributions in relation to the actuarially determined contribution	<u>1,047,770</u>	<u>1,015,067</u>	<u>1,003,621</u>	<u>971,530</u>	<u>886,413</u>	<u>979,236</u>	<u>926,879</u>	<u>922,934</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll**	\$ 7,789,196	\$ 7,447,741	\$ 7,526,550	\$ 7,340,594	\$ 7,166,807	\$ 7,212,567	\$ 6,924,388	\$ 6,934,443
Contributions as a percentage of covered-employee payroll	13.45%	13.63%	13.33%	13.24%	12.37%	13.58%	13.39%	13.31%

* 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 statements.

** Employer's covered payroll for FY 2022 is the total covered payroll for the 12 month period of the underlying financial statement.

Actuarial Information

Actuarial 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 FY 2022 were based on the September 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2021 to September 30, 2022:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	22.8 years
Asset valuation method	5-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 intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
For the Year Ended September 30,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 29,410	\$ 29,410	\$ 19,781	\$ 19,781	\$ 19,009
Interest	13,265	13,074	20,829	19,423	18,192
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	249,202	-	-	-	-
Changes in assumptions or other inputs	(170,986)	-	19,345	-	-
Benefit payments	<u>(66,486)</u>	<u>(1,533)</u>	<u>(1,533)</u>	<u>(7,635)</u>	<u>(7,635)</u>
Total OPEB expense	54,405	40,951	58,422	31,569	29,566
Total OPEB Liability - Beginning	593,385	552,434	494,012	462,443	432,877
Total OPEB Liability - Ending	<u>\$ 647,790</u>	<u>\$ 593,385</u>	<u>\$ 552,434</u>	<u>\$ 494,012</u>	<u>\$ 462,443</u>
Covered-employee payroll	\$ 6,629,529	\$ 6,646,499	\$ 6,646,499	\$ 6,583,113	\$ 6,583,113
Net OPEB Liability as a percentage of covered-employee payroll	9.77%	8.93%	8.31%	7.50%	7.02%

Notes to Schedule:

Benefit Changes: There were no changes of benefit terms for the year ended September 30, 2022

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	4.06%
2019	4.06%
2020	2.25%
2021	2.25%
2022	4.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of these statements.

CITY OF HUEYTOWN, ALABAMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2022

NOTE A - BUDGETARY INFORMATION

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts an annual operating budget for the general fund. Although the American Rescue Plan Act Grant Fund is presented as a major fund, the City is not legally required to adopt a budget for special revenue funds and the fund did not legally adopt a budget for the year ended September 30, 2022.

The annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following describes the budgeted and non-budgeted funds:

Annually-Budgeted Governmental Funds
General Fund

Governmental Funds Not Annually-Budgeted

Capital Projects Funds
Debt Service Fund
Special Revenue Funds:
Four Cent Gas Tax Fund
Seven Cent Gas Tax Fund
Emergency Communications
Corrections Fund
U.N.I.T. Task Force Fund
Municipal Judicial Fund
Rebuild Alabama Fund
ARPA Grant Fund

The City follows these procedures in establishing the budgetary data reflected in the required supplementary information:

1. Instructions and budget work papers are distributed to departments and a revenue estimate for the following fiscal year is prepared.
2. Departments return copies of completed budget request forms to the budget staff.
3. The Mayor and budget staff begins individual departmental reviews and prepare recommended changes to the departmental budgets.
4. The Mayor submits recommended departmental changes to individual departments affected with a copy to the City Council Finance Committee.
5. Departments incorporate recommended budget changes and update budget schedules.
6. The Mayor's recommended budget is finalized for submission to the City Council.
7. The Mayor presents the proposed budget to the City Council.
8. The City Council takes final action for approval of the operating budget by the beginning date of the fiscal year.

The annual budget is prepared on the account level within each department. Transfers of appropriations between accounts and departments or between funds require approval of the City Council. The legal level of budgetary control is by account and there were budget amendments for the year ended September 30, 2022. The original and final/amended budget amounts are reflected in the required supplementary information.

The following represents expenditures in excess of appropriations of the following amounts by department for the fiscal year ended September 30, 2022. The excess expenditures were provided by available fund balance in the General Fund.

CITY OF HUEYTOWN, ALABAMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2022

ADMINISTRATIVE		PUBLIC SAFETY DISPATCH (CONTINUED)	
Salaries	\$ (4,016)	Salaries	\$ (60,555)
Convention	(6,780)	Data processing and software	(628)
Insurance - Equipment and liability	(8,849)	Dues and subscriptions	(419)
Legal services	(14,427)	Equipment maintenance and operations	(3,028)
Other professional services	(4,633)	Insurance - Equipment and liability	(149)
State retirement	(3,897)	Payroll taxes and unemployment	(3,609)
Telephone	(470)	State retirement	(8,495)
		Supplies	(414)
GENERAL		Telephone	(4,399)
Capital outlay	(43,125)		
Data processing and software	(771)	FIRE DEPARTMENT	
Insurance and bonds	(134)	Salaries	(85,015)
		Dues and subscriptions	(390)
BUILDING AND INSPECTION		Equipment maintenance and operations	(13,475)
Building demolition	(82,524)	Hydrant maintenance	(529)
Dues and subscriptions	(50)	Insurance - Equipment and liability	(4,712)
Equipment maintenance and operations	(86)	Payroll taxes and unemployment	(1,777)
Insurance - Equipment and liability	(206)	Supplies	(10,670)
Telephone	(376)	Telephone	(463)
		Training	(1,683)
RETIREES HEALTH INSURANCE & ONE		Turnout gear	(8,577)
TIME LUMP SUM PAYMENT	(7,370)	Vehicle operations and maintenance	(97,557)
COURT DEPARTMENT		FIRE STATION #1 - Facility maintenance and repairs	(484)
Data processing and software	(4,411)		
Dues and subscriptions	(208)	FIRE STATION #2	
Insurance - Equipment and liability	(102)	Facility maintenance and repairs	(4,762)
Miscellaneous	(3,060)	Miscellaneous	(1,100)
State retirement	(2,000)	Telephone	(953)
POLICE DEPARTMENT - GENERAL OPERATIONS		FIRE STATION #3	
Capital outlay	(363,409)	Facility maintenance and repairs	(3,785)
Salaries	(123,492)	Telephone	(766)
Dues and subscriptions	(341)		
Insurance - Equipment and liability	(788)	COMMUNITY IMPROVEMENT	
L.E.A.D.S. Online	(21)	Capital outlay	(7,610)
Miscellaneous	(2,688)	Birmingham Regional Planning Commission	(405)
Payroll taxes and unemployment	(11,559)	Data processing and software	(4)
Publications	(11)	EMA	(892)
State retirement	(942)	Jefferson County mayor's association	(55)
Telephone	(15,515)	Maintenance	(694)
Training	(3,439)	Meal donation	(523)
Vehicle operations and maintenance	(35,001)	Miscellaneous	(902)
		Payroll taxes and unemployment	(110)
MUNICIPAL JAIL		Salary - Senior citizens director	(1,614)
Dues and subscriptions	(252)	State retirement	(640)
Insurance - Equipment and liability	(156)	Storm water fees	(6,705)
Miscellaneous	(37)		
Uniforms	(1,515)	PARK AND RECREATION	
		Capital outlay	(15,617)
PUBLIC SAFETY DISPATCH			
Capital outlay	(68,742)	BROOKLANE COMMUNITY CENTER - Facility Repair	(1,685)

CITY OF HUEYTOWN, ALABAMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2022

MARTIN LUTHER KING PARK

Capital outlay	\$ (37,728)
Facility maintenance and repairs	(43,212)
Utilities	(371)

MARTIN LUTHER KING COMMUNITY CENTER

Capital outlay	(9,288)
Facility maintenance and repairs	(7,298)

COMMUNITY STORM SHELTER - Facility Repairs	(978)
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STREET DEPARTMENT

Capital outlay	(45,300)
Dues and subscriptions	(303)
Engineering Services	(219,429)
Insurance - Equipment and liability	(722)
Other professional services	(18,175)
State retirement	(8,016)
Vehicle operations and maintenance	(36,504)

PUBLIC UTILITY EXPENSES

Capital outlay	(4,419)
Fuel inventory	(2,971)
Miscellaneous	(10)
Utilities	(141)

SUPPLEMENTARY INFORMATION

CITY OF HUEYTOWN, ALABAMA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Debt Service Fund	Gas Tax Fund (4 Cent)	Gas Tax Fund (7 Cent)	Emergency Communication Fund	Corrections Fund	U.N.I.T. Task Force Fund	Municipal Judicial Fund	Rebuild Alabama Fund	Total
ASSETS									
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 3
Due from other funds	-	-	16,066	-	-	-	-	-	16,066
Restricted cash and cash equivalents	418,621	645,953	737,337	229,534	10	11,847	20,190	282,854	2,346,346
Total assets	<u>\$ 418,621</u>	<u>\$ 645,953</u>	<u>\$ 753,403</u>	<u>\$ 229,534</u>	<u>\$ 10</u>	<u>\$ 11,850</u>	<u>\$ 20,190</u>	<u>\$ 282,854</u>	<u>\$ 2,362,415</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330
Due to other funds	-	16,066	-	-	-	-	-	-	16,066
Total liabilities	<u>-</u>	<u>16,066</u>	<u>330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,396</u>
FUND BALANCE									
Restricted for:									
Debt service	418,621	-	-	-	-	-	-	-	418,621
Capital projects	-	-	-	-	-	-	-	-	-
Public protection	-	-	-	229,534	10	11,850	20,190	-	261,584
Infrastructure maintenance	-	629,887	753,073	-	-	-	-	282,854	1,665,814
Total fund balance	<u>418,621</u>	<u>629,887</u>	<u>753,073</u>	<u>229,534</u>	<u>10</u>	<u>11,850</u>	<u>20,190</u>	<u>282,854</u>	<u>2,346,019</u>
Total liabilities and fund balance	<u>\$ 418,621</u>	<u>\$ 645,953</u>	<u>\$ 753,403</u>	<u>\$ 229,534</u>	<u>\$ 10</u>	<u>\$ 11,850</u>	<u>\$ 20,190</u>	<u>\$ 282,854</u>	<u>\$ 2,362,415</u>

CITY OF HUEYTOWN, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Debt Service Fund	Gas Tax Fund (4 Cent)	Gas Tax Fund (7 Cent)	Emergency Communication Fund	Corrections Fund	U.N.I.T. Task Force Fund	Municipal Judicial Fund	Rebuild Alabama Fund	Total
REVENUES									
Other taxes	\$ -	\$ 146,312	\$ 162,513	\$ -	\$ -	\$ -	\$ -	\$ 122,776	\$ 431,601
Charges for services	-	-	-	276,049	-	-	-	-	276,049
Fines and forfeitures	-	-	-	-	53,309	-	16,268	-	69,577
Donations, gifts and grants	-	-	-	88,404	-	-	-	-	88,404
Interest	1,127	779	1,019	203	91	30	65	303	3,617
Total revenues	<u>1,127</u>	<u>147,091</u>	<u>163,532</u>	<u>364,656</u>	<u>53,400</u>	<u>30</u>	<u>16,333</u>	<u>123,079</u>	<u>869,248</u>
EXPENDITURES									
Public protection	-	-	-	212,400	95,082	333	36,407	-	344,222
Public ways and facilities	-	73,611	198,479	-	-	-	-	-	272,090
Debt service:									
Principal	407,033	-	-	-	-	-	-	-	407,033
Interest and fees	201,396	-	-	-	-	-	-	-	201,396
Total expenditures	<u>608,429</u>	<u>73,611</u>	<u>198,479</u>	<u>212,400</u>	<u>95,082</u>	<u>333</u>	<u>36,407</u>	<u>-</u>	<u>1,224,741</u>
Excess (deficiency) of revenues over expenditures	(607,302)	73,480	(34,947)	152,256	(41,682)	(303)	(20,074)	123,079	(355,493)
OTHER FINANCING SOURCES (USES)									
Transfers in	<u>718,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,478</u>
Total other financing (uses)	<u>718,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,478</u>
Net change in fund balance	111,176	73,480	(34,947)	152,256	(41,682)	(303)	(20,074)	123,079	362,985
Fund balance, beginning	<u>307,445</u>	<u>556,407</u>	<u>788,020</u>	<u>77,278</u>	<u>41,692</u>	<u>12,153</u>	<u>40,264</u>	<u>159,775</u>	<u>1,983,034</u>
Fund balance, ending	<u>\$ 418,621</u>	<u>\$ 629,887</u>	<u>\$ 753,073</u>	<u>\$ 229,534</u>	<u>\$ 10</u>	<u>\$ 11,850</u>	<u>\$ 20,190</u>	<u>\$ 282,854</u>	<u>\$ 2,346,019</u>