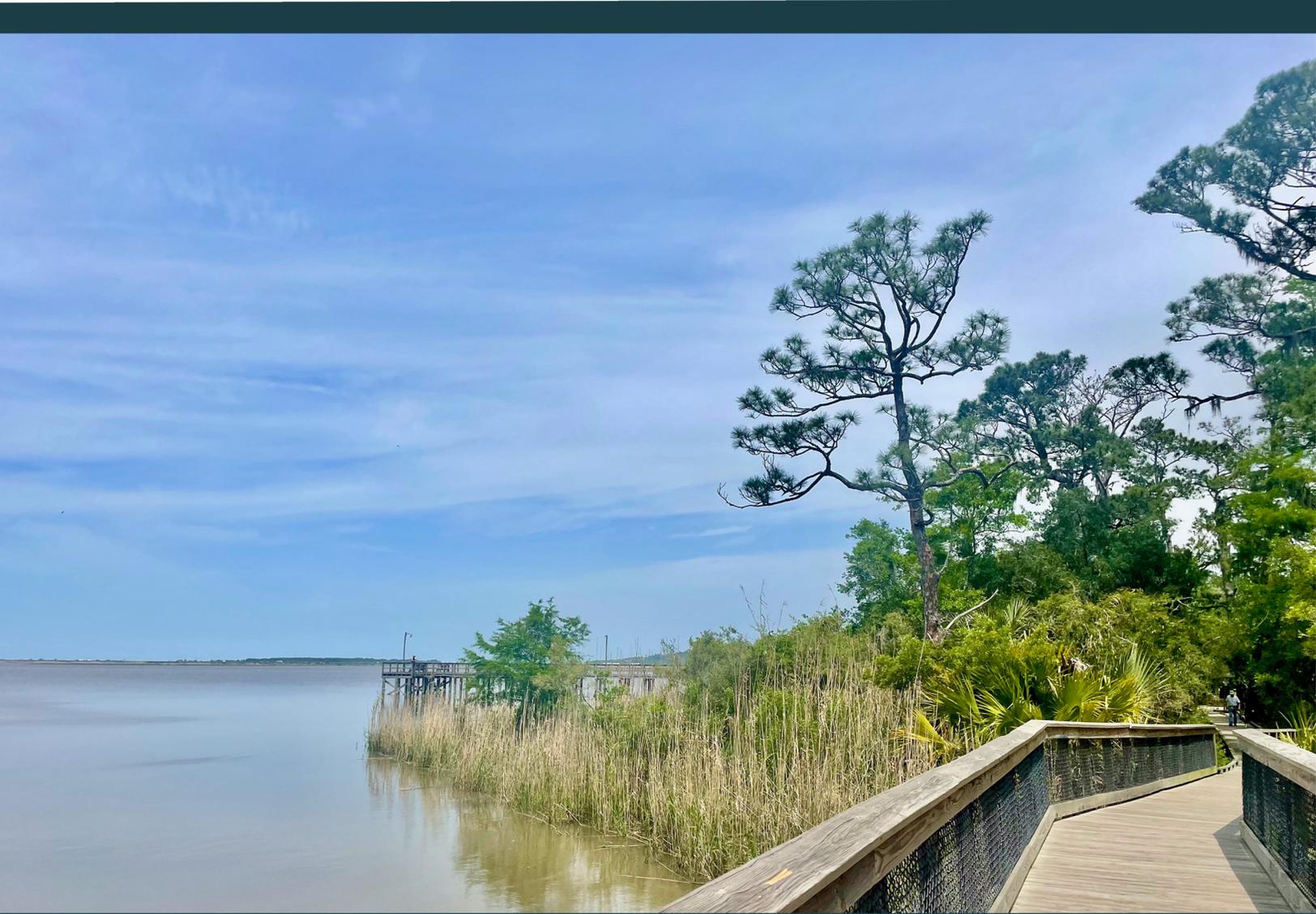


City of Daphne, Alabama

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For Fiscal Year 2023
Ending September 20, 2023



CITY OF DAPHNE, ALABAMA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2023**

**Prepared By:
Finance Department**

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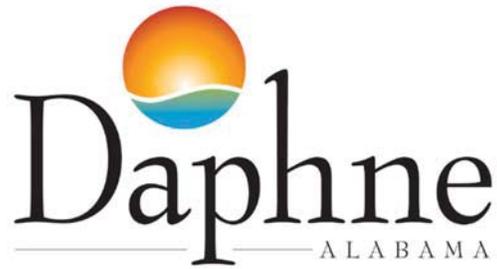
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Introductory Section



March 1, 2024

TO: Citizens of the City of Daphne, Alabama

It is our privilege to present the Annual Comprehensive Financial Report (ACFR) on the operations of the City of Daphne, Alabama (the City) for the fiscal year ended September 30, 2023. This report is presented to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff, and readers.

Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City, based upon a comprehensive framework of internal control that the City has established for this purpose. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City has an audit of its financial reports annually by independent certified public accountants who must conduct the audit in accordance with accounting principles generally accepted in the United States of America (GAAP). The accounting firm of Avizo Group, Inc. conducted the audit and its report on the City's financial statements is included herein.

The Report

The ACFR has been prepared in conformity with GAAP as prescribed in pronouncements by the Governmental Accounting Standards Board (GASB) and is presented in three sections: *Introductory, Financial, and Statistical*.

The *Introductory Section* is designed to provide the background and context that readers need to benefit fully from the information contained in the *Financial Section*, and includes this transmittal letter, City map, organizational chart, list of principal officials, and the ACFR certificate for fiscal year ended September 30, 2022.

The *Financial Section* includes the auditor's report, Management's Discussion and Analysis (MD&A), audited government-wide and fund financial statements and related notes thereto, required supplementary information, and certain underlying combining fund financial statements, and other supplementary information.

The *Statistical Section* contains selected unaudited financial, economic and demographic data on a multi-year basis that is useful in evaluating the economic condition of the City.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter is designed to complement the MD&A and should be read in conjunction with it.

The Reporting Entity

The report includes all funds of the primary government. The primary government provides a full range of services. These services include public safety, public works, environmental services, culture and recreation, economic and community development and planning, and general administrative services.

The Utilities Board of the City of Daphne is a related entity, but it does not meet the established criteria for inclusion in the reporting entity, and accordingly, is excluded from this report. Additional information on the Utilities Board is available at the Board's business office at 900 Daphne Avenue, PO Box 2550, Daphne, Alabama 36526.

The City has implemented the Governmental Accounting Standards Board's (GASB) statement on defining the reporting entity. The City has no related entities that are required to be discretely presented or blended component units.

GASB Requirements

Each year, management evaluates new GASB reporting requirements to determine applicability to the City. The requirements issued by GASB that became effective during this current fiscal year and those that will become effective in the next fiscal year and are applicable to this entity are described in this document. All GASB statements effective for fiscal year 2023 were implemented.

City Profile

The City of Daphne was founded in 1927 and is the largest city within Baldwin County comprised of 19.05 square miles. Daphne is located on the eastern shore of Mobile Bay and is adjacent to Interstate 10, a major east/west corridor. The city is located 39 miles west of Pensacola, Florida and 9 miles east of Mobile, Alabama just across Mobile Bay. Many Daphne residents commute daily to Mobile as Daphne has developed into one of the most attractive bedroom communities along the Eastern Shore. The proximity to the Mobile and Pensacola metropolitan areas, combined with safe environments, strong schools, and quality of life, continue to drive residential growth at a rate that is one of the fastest growing in the country, with 339 certificate of occupancies issued in 2023. In addition to the strong residential growth, our close proximity to the I-10 corridor continues to drive steady retail growth and valuable sales tax dollars.

Wealth and income levels within the city are strong as median household income is 107% of the U.S. level. The estimated median income as of 2022 was \$80,657 and the median housing valuation was \$276,300. According to the most recent estimates from the U.S. Census Bureau (2022), the city's estimated population is 29,670, which represents a 37.6% increase in growth from 2010. Daphne's population is well educated; according to recent census data, approximately 40.0% of the population has a bachelor's degree or higher; the U.S. average is 34.3%. As the population has grown, the City of Daphne has responded in the quantity and quality of services it provides with 376 full-time and part-time workers to provide these services.

The City of Daphne has a Mayor-Council form of government. The City Council consists of seven members elected from seven single member districts; the Mayor is elected at large. The Mayor and City Council are elected to serve four-year terms. Policymaking and legislative authority are vested in the City Council, which is responsible, among other things, for passing local ordinances, adopting budgets and appointing board members of related organizations. The Mayor is responsible for carrying out the policies and ordinances of the City, as well as supervising the day-to-day operations of the City.

The annual budget serves as the foundation for the City's financial planning and control. Annually, the Mayor prepares a proposed budget and submits it to the City Council for consideration. Invariably, there are changes to the budget presented by the Mayor. These changes are made by amending the appropriations during the adoption process. Other budget revisions during the year require City Council action. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Budgetary control is on the department level.

Economic Condition

Daphne continues to experience strong population growth in addition to continued commercial growth. Positive economic investment in the Coastal Alabama region should continue to drive growth. Such economic investment includes (i) the new Airbus North America Final Assembly Line (FAL), the first commercial aircraft production site for Airbus in the country, opened in Mobile, Alabama in 2015. The line currently assembles A319, A320 and A321 aircraft, producing 60 aircraft annually; (ii) Austal USA shipbuilding for the U.S. Navy; (iii) Novelis is currently building its \$4.1 billion new low-carbon recycling and rolling plant in Bay Minette, Alabama, USA. The highly advanced facility will have an initial 600 kilotonnes of finished aluminum goods capacity per year, and this Facility will support strong demand for aluminum beverage packaging and automotive solutions. In addition, Novelis plans to have completed by 2027 its worldwide leadership and training center located in Daphne; and (iv) continued investment in a burgeoning Port of Mobile, operated by the Alabama State Port Authority, which in the latest statistics is the 12th largest U.S. Port in Total Tonnage according to the United States Army Corps of Engineers and over 98.3 billion annually in economic value to Alabama. Geographic proximity to these regional economic generators is beneficial to the city with Airbus FAL, Austal USA, and Port of Mobile facilities located within 12 miles of the city of Daphne.

The city has been previously ranked 96th in the “Top 100 Best Places to Live” as presented on the CNN/Moneywise website. Daphne was also named as the sixth safest city in Alabama in 2019 according to National Council for Home Safety and Security. The city was listed as the 12th fastest growing city in Alabama by the U.S. Census Bureau, growing at more than 36% since 2010, and is now the 20th largest city in the state of Alabama. In addition, the Daphne-Fairhope-Foley Metropolitan Statistical Area (MSA), where Daphne is located, is the fourth fastest growing small metro MSA in the United States.

Major Initiatives

In 2023, the City of Daphne continued its ongoing road repaving initiative and continued to improve the quality of life for its children by investing over \$3.2 million converting our sports complex baseball and softball fields from grass to synthetic turf. Reinforcing the City’s commitment to its environmental programs affecting major watersheds, over \$4 million of ARPA Funding was utilized for stormwater improvement projects, continuing to improve water quality throughout the community.

Commencement of construction for our Justice Center expansion is expected in the fall of 2024. The expansion will serve our community, county, state and country. The \$8 million expansion will increase the City of Daphne's capabilities to reduce crime and expand law enforcement in southwest Alabama. Specifically, this Center will house larger evidence collection areas to improve enforcement of drug and human trafficking along the I-10 corridor. Further, the expanded area will increase our courtroom space, adding in more efficient court operations in order to prosecute the criminals in our area. This will be the first expansion to the Justice Center since its construction in 1995.

Daphne's long-awaited Bayfront Drive Streetscape improvements project was completed in the winter of 2024 when the City finished a \$3.5 million contract to begin improving the streetscape and parking along Bayfront Drive. This is the first step in a long-range plan to develop and enhance the City's Bayfront Park, which sits directly on Mobile Bay, and is adjacent to Village Point Park Preserve. Bayfront Park was awarded a \$7.2 million GOMESA Grant in 2023 and will be a future home to a 2,500-seat amphitheater for outdoor community events.

Additionally, other major 2023 initiatives continuing this year include construction of the City's new Animal Shelter; infrastructure improvements on U.S. Highway 98, Daphne Avenue, and Pollard Road; and finalization of plans for Phase 1 of the widening of Highway 90 with a \$2 million grant from ALDOT.

Financial Policies

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate data are compiled to allow for the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that valuation of costs and benefits requires estimates and judgments by management.

Budgeting: The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Accountability for budgetary compliance is held at the department level.

Cash Management: Cash temporarily not required for operating requirements is invested in government securities and securities backed by the full faith and credit of the United States government. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, operating fund deposits are insured under the Security for Alabama Funds Enhancement (SAFE) program. In the SAFE program, all public funds are protected through a collateral pool administered by the State of Alabama Treasury.

Fund Balance: In 2016, the City adopted a formal policy to maintain an unassigned fund balance in the General Fund of a minimum of three months of operating revenues. Furthermore, this unassigned fund balance may only be used for capital projects and equipment or in extreme economic downturns or a natural disaster.

Operational Efficiency: The Mayor's office continually challenges all City departments to improve their operations and the quality of services provided to citizens, while at the same time, holding personnel and operating costs consistently within the allotted budgeted amount.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Daphne, Alabama for its ACFR for the fiscal year ended September 30, 2022. In 2012, this prestigious Certificate of Achievement was awarded to the City in its initial submission for consideration. The City has received this award for nine consecutive years. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report could not be accomplished without the dedicated services of an efficient Finance Department staff. We express appreciation to each member of the department and to those members of other City departments for their contributions made in the preparation of this report.

In closing, the commitment to maintaining the highest standards of accountability in financial reporting speaks to the progressive leadership and dedication to public service of the Mayor and the City Council. Their support for a policy of financial integrity has been instrumental in the preparation of this report.

Respectfully submitted,



Robin LeJeune
Mayor

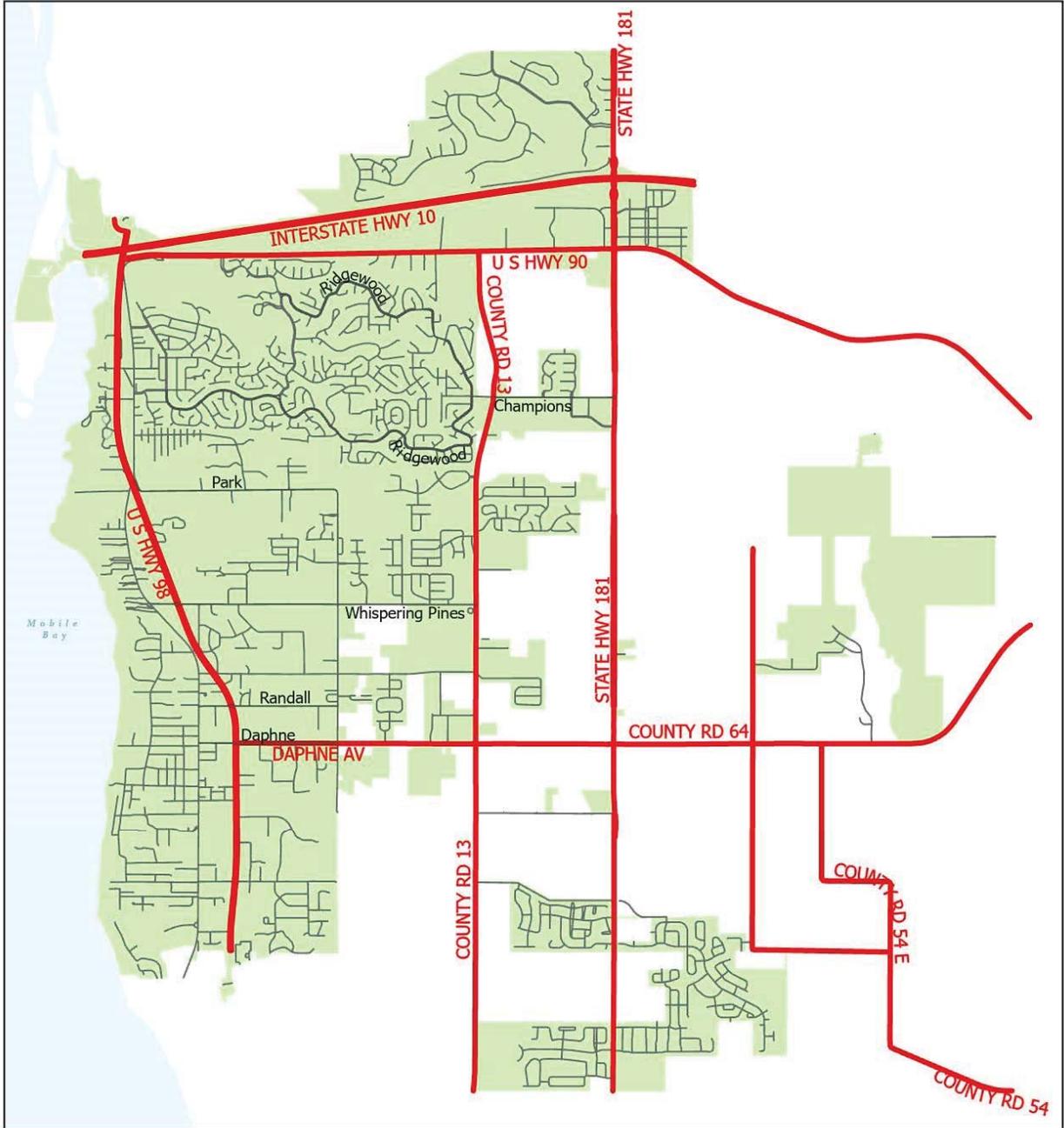


Kelli Kichler Reid, CPA
Finance Director/Treasurer

MAP OF THE CITY OF DAPHNE



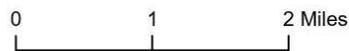
City of Daphne Overview



Maps serve a purely illustrative function and do not constitute a legally certified survey.

The information within the datasets disseminated by the City of Daphne is sourced from a diverse range of both public and private origins, which are generally considered to be reliable. However, the City of Daphne does not provide guarantees as to the accuracy, comprehensiveness, or completeness of this information. The City of Daphne disclaims all express or implied warranties concerning the accuracy, comprehensiveness, currency, reliability, or appropriateness of the information or data originating from the City Geographic Information System. Furthermore, the City of Daphne, its representatives, agents, or employees assume no liability associated with the utilization of this data and accept no responsibility for its maintenance in any manner or form.

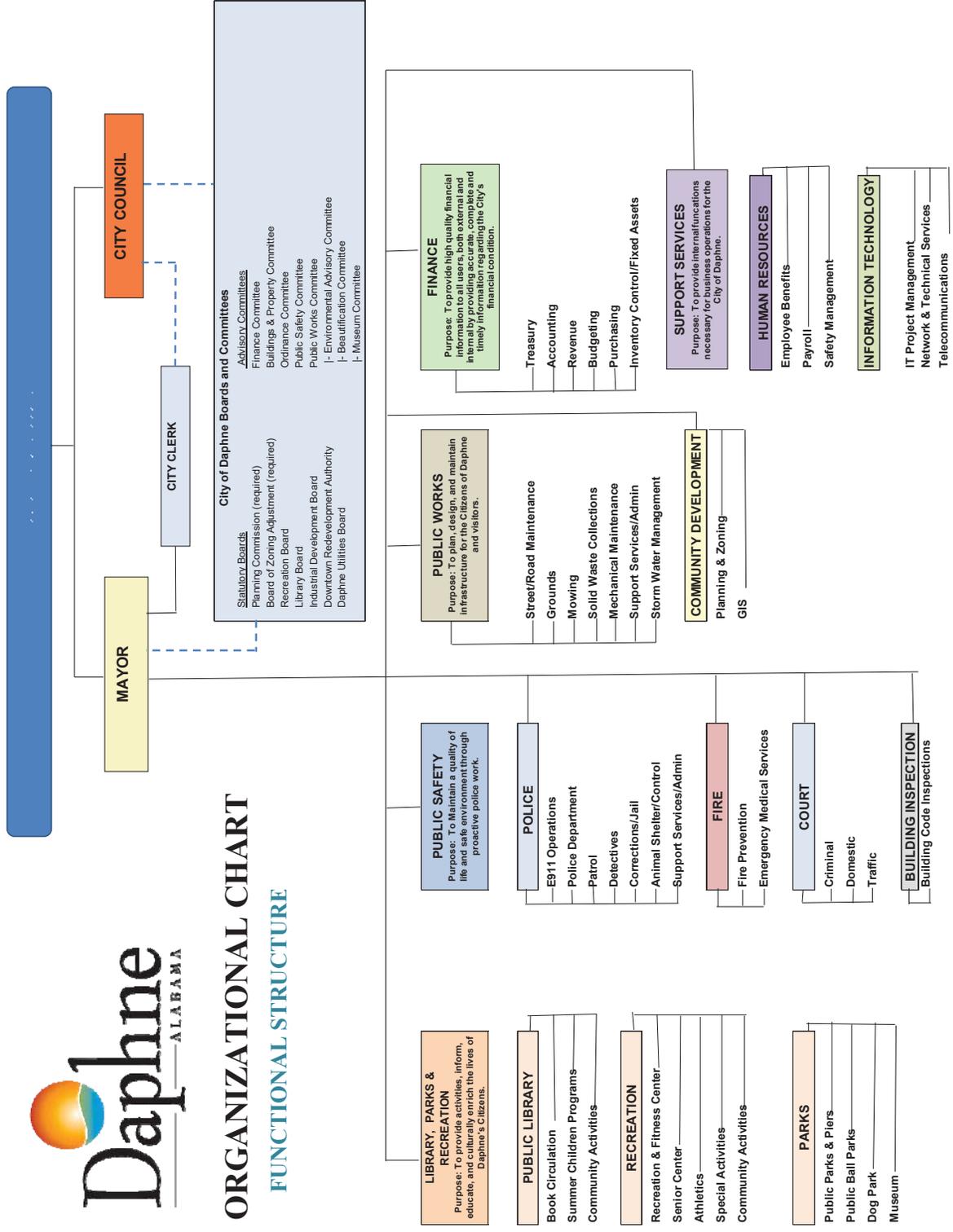
- Major Roads
- Streets
- Daphne





ORGANIZATIONAL CHART

FUNCTIONAL STRUCTURE



LIST OF PRINCIPAL OFFICIALS



Robin LeJeune, Mayor

CITY COUNCIL



Tommie Conaway
District 1



Steve Olen
District 2



Joel Coleman
District 3



Doug Goodlin
District 4



Ron Scott
District 5



Benjamin Hughes
District 6



Angie Phillips
District 7



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Daphne
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

Part II Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Robin LeJeune and the
City Council
City of Daphne, Alabama

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Daphne, Alabama as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the City of Daphne, 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 activities, each major fund, and the aggregate remaining fund information of the City of Daphne, Alabama, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 Daphne, Alabama, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Daphne, 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 Daphne, 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 Daphne, 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 and budgetary comparison information 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 Daphne, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report

thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Emphasis of Matter

As discussed in Note 29, the 2022 ending balance of net position has been restated as part of the reclassification of the Self-Insurance Fund from an agency fund to be included as activities of the General Fund as it no longer met the criteria to be reported as fiduciary activities.

Avizo Group, Inc.

Certified Public Accountants

March 1, 2024
Fairhope, Alabama

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City's Annual Comprehensive Financial Report (ACFR) presents City management's discussion and analysis (MD&A) of the City's financial performance during the fiscal year that ended on September 30, 2023. Please read this in conjunction with the City's financial statements and accompanying notes, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the ACFR.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$180.0 million (net position). Of this amount, the City had unrestricted net position of \$36.9 million that is available to be used to meet the ongoing obligations of the City of Daphne.
- The City's net position of \$180.0 million reflected an increase of 12.7% (\$20.3 million) over the prior year's net position of \$159.7 million.
- The City's governmental funds reported a combined fund balance of \$39.8 million at the close of the current fiscal year, a decrease of 1.6% (\$659,000) from the prior year.
- The City's General Fund reported a fund balance of \$27.6 million at the close of the current fiscal year, or 54.0% of total General Fund expenditures and other financing uses; total fund increased 4.2% (\$1.1 million) over the prior year. Total current year ending fund balances in the General Fund represented 53.1% of current fiscal year total revenues, and 60.4% of prior year total revenues.
- Sales, use, and luxury taxes, the City's single largest revenue source, increased 3.3% (\$993,000) during the current fiscal year, reflecting the continued steady local economy.
- Other significant changes in governmental funds revenue during the current fiscal year include grants and contributions that increased by 295.7% (\$7.9 million) and other revenue that increased 469% (\$2.6 million). Overall, current fiscal year revenues increased 25.6% (\$12.6 million) over the prior year. The increase in governmental funds revenue was offset by an increase in governmental funds expenses of 38.5% (\$17.1 million) over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis (this section), the basic financial statements, and the narrative notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the City's finances.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual elements of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term, as well as what remains for future spending.
 - Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses, such as the Civic Center.
 - Fiduciary funds statements convey information about financial relationships in which the City acts solely as a trustee for the benefit of others.

Government-Wide Statements

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies.

- The *Statement of Net Position* includes all of the government's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between the four reported as net position.
- All of the fiscal year's revenues and expenses are accounted for in the *Statement of Activities*, presenting the change in net position for the most recently completed fiscal year. All changes in net position (revenues and expenses) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

To assess the overall economic health of the City, additional non-financial factors, such as changes in the City's tax base, planning and zoning actions, and the condition of the City's roads, and other infrastructure, should be considered.

The government-wide financial statements of the City are divided into three categories:

- *Governmental activities*. Most of the City's basic services are included in this category, such as the services provided by the public safety, public works, culture and recreation, and general government functions. General revenues from sales and use taxes, licenses and permit fees, property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities*. The City charges fees to customers to help cover the costs of certain services it provides to the public. The City's Solid Waste and Civic Center operations are included in this category as enterprise funds.
- *Discretely Presented Component Units*. The City does not have any discretely presented or blended component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are groupings of related accounts the City uses to keep track of specific revenues and spending for particular activities or objectives.

- State law requires gasoline tax funds to be accounted for separately, because the expenditures are restricted for specific uses.
- The City Council establishes other funds to control the use of monies for particular purposes, such as taxes that are dedicated for specific purposes or repayment of long-term debt.
- The City also establishes funds to demonstrate compliance with certain legally restricted revenue sources, such as tracking debt-financed capital projects and the spending of grant revenues.

Fund Financial Statements (Continued)

The City has three kinds of funds:

- *Governmental funds.* Most of the City's basic services are accounted for in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash, flows in and out, and (2) the balances left at year-end that are available for spending in subsequent years. Consequently, the governmental funds statements provide a detailed, short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs following the completion of a fiscal year.

Because governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Doing so provides a better understanding of the long-term impact of the government's short-term funding decisions. Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for governmental funds provide a reconciliation to facilitate this comparison between governmental funds statements and government-wide statements on governmental activities.

- *Proprietary funds.* Services provided to the public for which customers are charged a fee are generally reported in enterprise funds, which are a type of proprietary fund. Proprietary funds' financial statements, like the government-wide statements, provide both long term and short term financial information. Proprietary funds function like a business activity; therefore, the financial statements provide additional information, such as depreciation expense and cash flows, which are not presented for governmental funds.
- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The City adopts an annual budget for its General Fund and most other governmental funds. A budgetary comparison schedule for the General Fund and major special revenue governmental funds has been provided in the *Required Supplementary Information* section of this document. The other adopted annual budgets are included in the *Other Supplementary Information* section of this document.

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 follow the basic financial statements.

Other Information

This report also presents required supplementary information related to the City's employee pension funding, other post-employment benefits, and budgetary comparison schedules for all major governmental funds. The combining statements of non major governmental funds, and non major proprietary funds are presented following the required supplementary information.

Net Position

The following is a condensed version of the City's government-wide Statement of Net Position as of September 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 52,483,058	\$ 53,623,994	\$ 1,104,364	\$ 1,783,996	\$ 53,587,422	\$ 55,407,990
Capital assets	167,835,631	146,054,992	1,535,447	1,331,245	169,371,078	147,386,237
Total assets	<u>220,318,689</u>	<u>199,678,986</u>	<u>2,639,811</u>	<u>3,115,241</u>	<u>222,958,500</u>	<u>202,794,227</u>
Deferred outflow of resources	10,594,043	4,746,876	698,962	372,703	11,293,005	5,119,579
Current liabilities	4,288,157	3,014,454	197,423	203,321	4,485,580	3,217,775
Long-term debt and other liabilities	44,834,297	37,966,389	2,026,748	1,809,279	46,861,045	39,775,668
Total liabilities	<u>49,122,454</u>	<u>40,980,843</u>	<u>2,224,171</u>	<u>2,012,600</u>	<u>51,346,625</u>	<u>42,993,443</u>
Deferred inflow of resources	2,432,750	4,355,639	507,728	868,470	2,940,478	5,224,109
Net Position:						
Net investment in capital assets	140,372,617	116,205,821	735,030	169,453	141,107,647	116,375,274
Restricted	1,968,303	1,717,757	-	-	1,968,303	1,717,757
Unrestricted	<u>37,016,608</u>	<u>41,165,802</u>	<u>(128,156)</u>	<u>437,421</u>	<u>36,888,452</u>	<u>41,603,223</u>
Total net position	<u>\$ 179,357,528</u>	<u>\$ 159,089,380</u>	<u>\$ 606,874</u>	<u>\$ 606,874</u>	<u>\$ 179,964,402</u>	<u>\$ 159,696,254</u>

The City's *combined* net position increased \$20.3 million over the prior year. Revenues increased \$10.6 million over the prior year with expenses only increasing \$5.5 million from 2022.

Net position may serve as a useful indicator of a government's financial position. The City's combined assets exceeded combined liabilities by \$180.0 million, at September 30, 2023. The combined net position reflects a current year total unrestricted net position of \$36.9 million.

The largest component of the City's current fiscal year net position (78.4%) is the investment in capital assets (i.e., infrastructure, land, buildings, equipment, etc.) less any related outstanding debt that was used to acquire those assets. 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 the resources required to repay the debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

1.1% of the City's current fiscal year net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$36.9 million, may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The following is a summary of the government-wide Statement of Activities for the year ended September 30, 2023:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 9,347,507	\$ 8,685,743	\$ 2,308,492	\$ 2,246,619	\$ 11,655,999	\$ 10,932,362
Operating grants and contributions	167,414	654,408	36,000	-	203,414	654,408
Capital grants and contributions	13,592,279	7,257,521	-	-	13,592,279	7,257,521
General Revenues:						
Taxes	41,284,023	39,005,281	-	-	41,284,023	39,005,281
Other	1,352,133	(564,566)	52,437	214,220	1,404,570	(350,346)
Total Revenues	65,743,356	55,038,387	2,396,929	2,460,839	68,140,285	57,499,226
Expenses:						
General government	7,307,689	7,188,850	-	-	7,307,689	7,188,850
Public safety	16,919,393	15,189,249	-	-	16,919,393	15,189,249
Public works	13,260,770	11,124,032	-	-	13,260,770	11,124,032
Culture and recreation	6,621,960	5,386,224	-	-	6,621,960	5,386,224
Interest on long-term debt	589,454	641,688	-	-	589,454	641,688
Solid Waste	-	-	2,584,836	2,409,061	2,584,836	2,409,061
Civic Center	-	-	820,316	659,928	820,316	659,928
Total Expenses	44,699,266	39,530,043	3,405,152	3,068,989	48,104,418	42,599,032
Change in Net Position,						
before transfers	21,044,090	15,508,344	(1,008,223)	(608,150)	20,035,867	14,900,194
Transfers	(1,008,223)	(608,150)	1,008,223	608,150	-	-
Change in Net Position	20,035,867	14,900,194	-	-	20,035,867	14,900,194
Net position, beginning						
Prior period adjustments	159,089,380	144,192,652	606,874	606,874	159,696,254	144,799,526
	232,281	(3,466)	-	-	232,281	(3,466)
Net Position, end of year	\$ 179,357,528	\$ 159,089,380	\$ 606,874	\$ 606,874	\$ 179,964,402	\$ 159,696,254

Total net position reflected an increase of \$20.3 million over the prior year, which included a slight prior period adjustment. This increase within the Statement of Activities includes a \$10.6 million dollar increase in revenues but only a \$5.5 increase in expenses. \$6.3 million of the increase in revenue is attributable to the capital grants and contributions, which includes a one-time GOMESA grant for \$4.0 million and \$3.2 million in grant revenues from the American Rescue Plan Act. Overall change in net position was higher than the prior year change in net position of \$14.9 million.

Governmental Activities

The comprehensive Statement of Activities is presented in a format that is significantly different from the traditional Statement of Revenues, Expenditures, and Changes in Fund Balance. Expenses are listed in the first column by function with revenues generated from the function reported to the right. This provides a total cost for each function. Next, revenues generated by each function are reported and deducted from the expenses. The result is the net revenue (expense) of the function, or the *Net Cost* for the activity. The *Net Cost* is the part of operations required to be funded by the taxpayers.

Governmental Activities (Continued)

Included in governmental activities are the following functions: General government, public safety, public works, culture and recreation, and interest on long-term debt.

The amount of funding required from general revenue sources (i.e., revenues other than fees, charges, grants, and other contributions, such as street, drainage, and other infrastructure acceptances) is presented below by function.

Uses of General Revenues		
Public safety	\$ 14,284,350	63.06%
Public works	5,659,323	24.99%
General government	698,201	3.08%
Culture and recreation	360,738	1.59%
Interest on long-term debt	589,454	2.60%
Business-type activities	1,060,660	4.68%
	<u>\$ 22,652,726</u>	<u>100.00%</u>

Business-Type Activities

Revenues of the City's business-type activities do not always cover the costs of doing business, and therefore these activities require funding from general revenues (taxes, licenses, etc.).

The Civic Center Fund and Solid Waste Fund are funds that generally require such transfers. \$1.0 million was transferred to these activities in the current fiscal year. This is a large increase of over \$400,000 from the prior year.

\$400,000 was transferred to the Civic Center Fund in the current fiscal year, which was \$154,000 more than in fiscal year 2022. Revenue increased slightly by \$6,700 over prior year due to a grant received but was offset by a large increase in expenses of \$160,000. Personnel expenses increased \$75,000 and operating expenses increased \$85,000 over the prior fiscal year.

\$608,000 was transferred to the Solid Waste Fund in the current fiscal year. This was an increase of \$246,000 from the prior year. Garbage fees revenue collected increased \$80,000 from the prior year due to an overall increase in customers resulting from new construction of residences. Overall expenses increased approximately \$179,000 over those of the prior year with the largest increases being \$136,000 in personnel costs, \$63,000 in maintenance costs, and \$61,000 in depreciation costs. These were offset with a decrease in professional services of \$84,000. Additionally, the prior fiscal year had a large gain on sale of assets of \$184,000 and the current year had a total gain of only \$34,000. When separating the garbage, recycling, and solid waste debris components, solid waste debris expenses totaled \$911,000, garbage expenses totaled \$1,365,000, and recycling expenses totaled \$308,000. The recycling transfer facility was destroyed by fire in December 2019 and the curbside recycling program has been temporarily suspended until a new facility is constructed.

FINANCIAL ANALYSIS OF CITY FUNDS

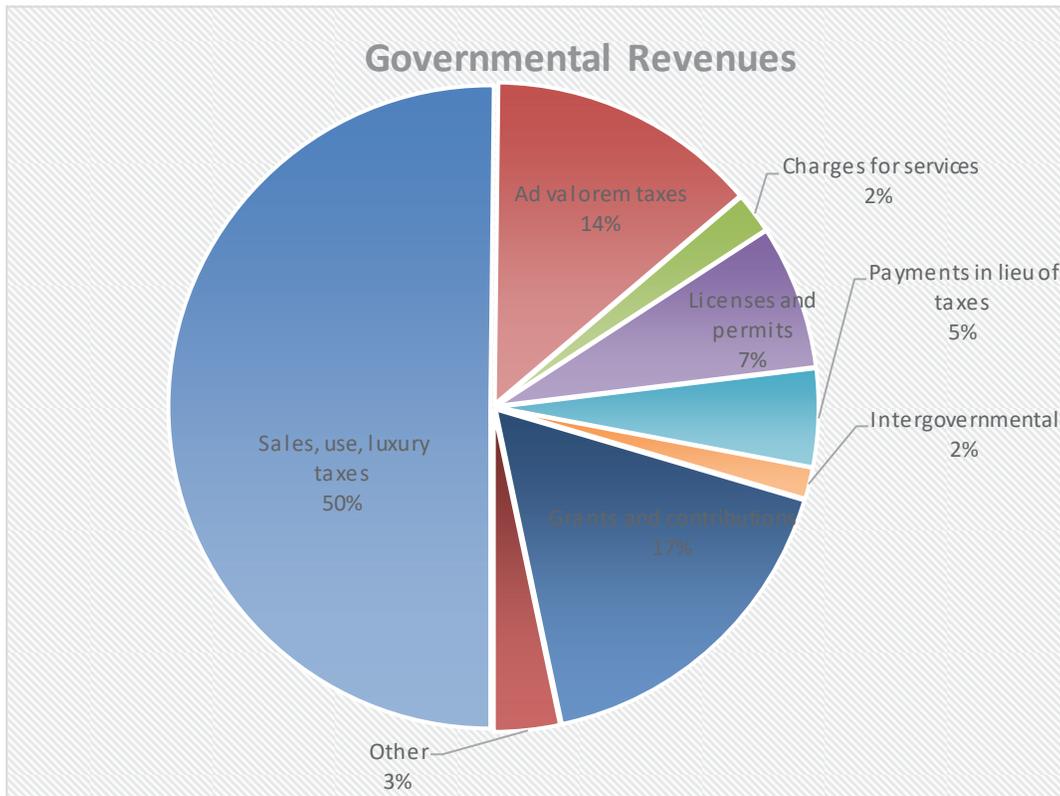
The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial requirements. Specifically, the unassigned fund balance may serve as a useful tool for the measurement of resources available for future needs, including a provision for emergencies or an accumulation of funds for the purchase of capital assets.

Governmental Funds

As the City completed the current fiscal year, its governmental funds reported a combined fund balance of \$39.8 million, a 1.6% (\$659,000) decrease from the prior year.

Governmental Revenues

Total revenues of the governmental funds showed an increase of 25.6% (\$12.6 million) over the prior year. The City is heavily reliant on taxes to support governmental operations. The following graph presents a summary of governmental revenues sources:



Sales and use taxes are the largest source of revenues at 50%; grants and contributions are the next largest at 17%; and Ad valorem taxes are 14% of total revenues.

Governmental Revenues (Continued)

The change in revenues from the prior year is presented below:

	2023	2022	Variance	% Change
Sales, use, luxury taxes	\$ 30,947,186	\$ 29,954,245	\$ 992,941	3.3%
Ad valorem taxes	8,395,612	7,377,139	1,018,473	13.8%
Charges for services	1,258,531	1,536,032	(277,501)	-18.1%
Licenses and permits	4,465,309	4,438,217	27,092	0.6%
Payments in lieu of taxes	3,039,655	2,711,495	328,160	12.1%
Intergovernmental	969,601	980,494	(10,893)	-1.1%
Grants and contributions	10,564,306	2,669,897	7,894,409	295.7%
Other	2,036,946	(552,767)	2,589,713	468.5%
	<u>\$ 61,677,146</u>	<u>\$ 49,114,752</u>	<u>\$ 12,562,394</u>	<u>25.6%</u>

A discussion of significant increases and decreases follows:

- Ad valorem taxes increased \$1.0 million due to the continued growing population contributing to a large increase in both the number and assessed value of commercial and residential property within the City.
- Grants and contributions increased \$7.9 million. In 2023, the City received a \$4 million GOMESA grant for the purchase of real property and additionally, expended and subsequently recognized \$3.2 million in revenues from the American Rescue Plan Act.
- Other revenue increased \$2.0 million. Part of this increase is a result of a previous one-time commitment to the local high school for facility improvements of \$575,000 being reversed due to the project being postponed. Additionally, investment earnings and interest last year had a loss of \$738,000 due to poor market performance. In FY 2023, investment performance rebounded and combined with higher interest rates, resulted in investment earnings and interest totaling \$483,000, an increase of \$1.2 million over the prior year.

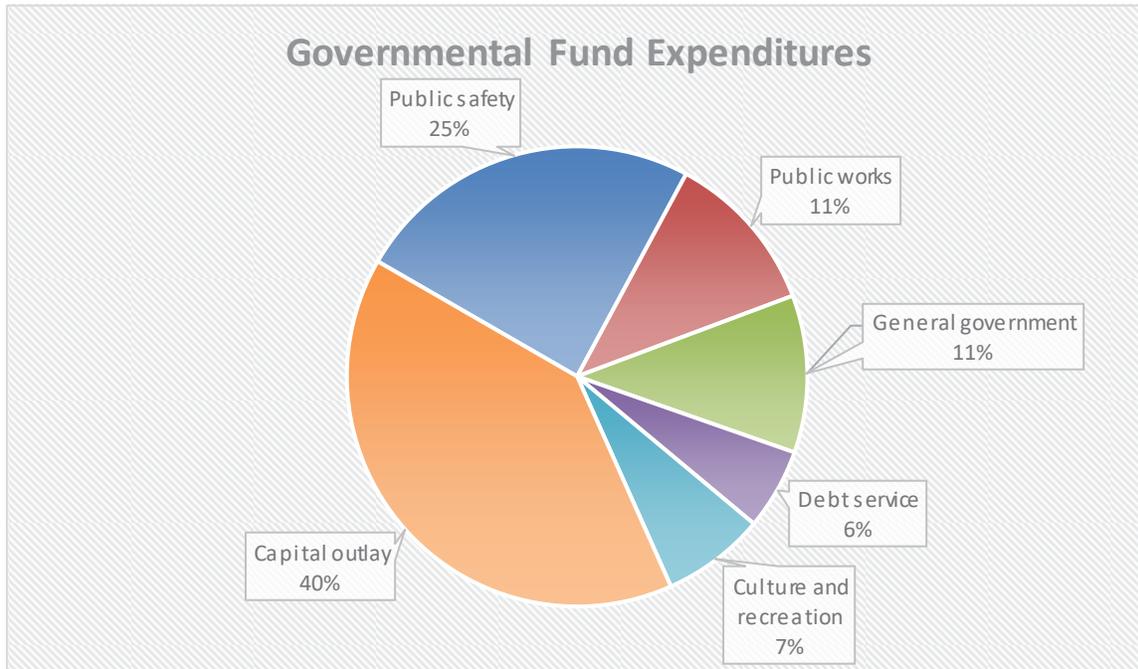
Governmental Expenditures

A summary of governmental expenditures is presented below:

Governmental Fund Expenditures		
Public safety	\$ 15,096,922	24.5%
Public works	7,039,914	11.4%
General government	6,814,883	11.1%
Debt service	3,512,034	5.7%
Culture and recreation	4,462,668	7.2%
Capital outlay	24,633,643	39.9%
	<u>\$ 61,560,064</u>	<u>100.0%</u>

Expenditures are graphically presented on the next page.

Governmental Expenditures (Continued)



This represents an increase in expenditures of 38.5% (\$17.1 million) over the prior year.

The principal drivers of this decrease are an increase in capital outlay expenditures of \$14.5 million over the prior year, an increase in public works expenditures of \$1.6 million over the prior year, and an increase in culture and recreation expenditures of \$770,000 over the prior year.

- Capital outlay expenditures increased \$14.5 million. In 2023, a one-time building purchase in the amount of \$6.0 million was made to be the future home of a new recreation center. Additional large capital expenditures included \$3.6 million for Bayfront Drive parking and streetscape improvements and \$2.4 million for the installation of artificial turf at the Daphne Sports Complex.
- Public works expenditures increased \$1.6 million. In 2023, there was a change in the infrastructure capitalization policy resulting in routine resurfacing of a street that costs less than \$50,000 no longer being treated as capital outlay. In 2023, \$704,000 of street resurfacing was classified as public works expenditures. Additionally, personnel and related costs increased \$475,000 over the prior year.
- Culture and recreation expenditures increased \$770,000. Personnel and related costs increased \$349,000 and overall operating costs increased \$421,000 over prior year due to high inflationary pressures.

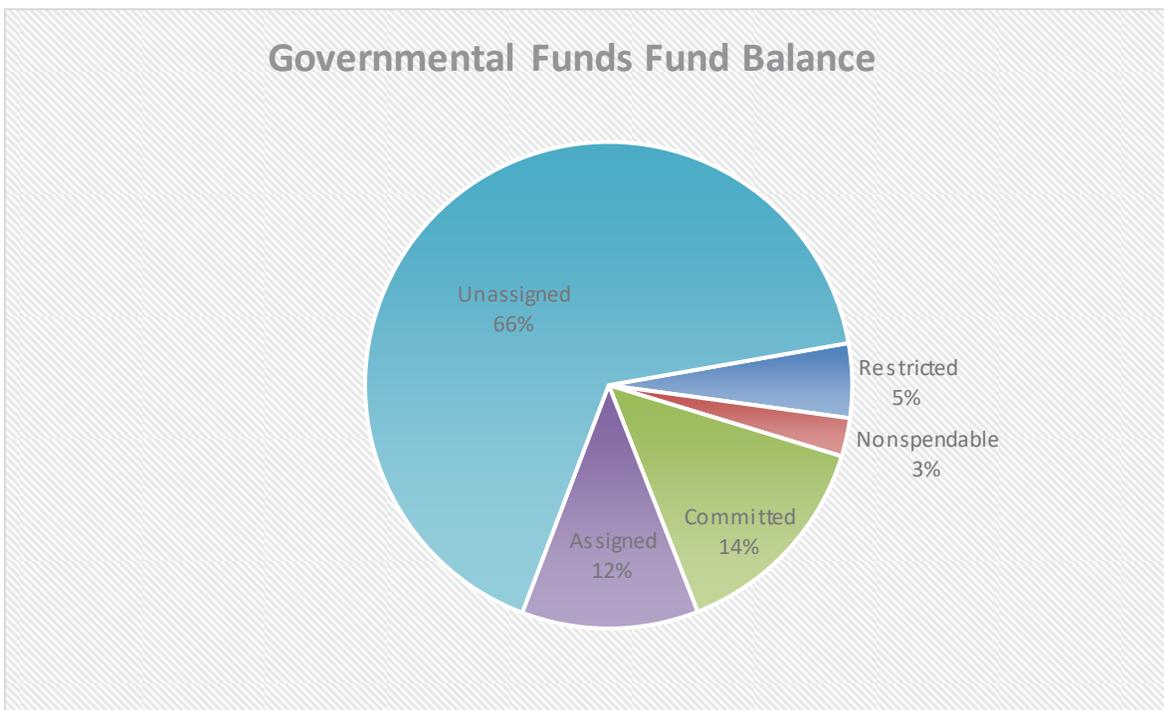
Departmental costs of \$33.4 million are the largest component of current fiscal year expenditures (54.3%). The department with the largest amount of governmental expenditures remains public safety at \$15.1 million (24.5% of total expenditures).

Personnel and related costs (included in departmental costs) make up over 35.8% of total expenditures and totaled \$22.0 million for the year.

Governmental Fund Balance

Total fund balance of the governmental funds as of September 30, 2023 is \$39.8 million. Of this amount, \$26.4 million is unassigned. An illustration of the total fund balance for governmental funds is presented below:

	2023	2022	Variance	% Change
Restricted	\$ 1,968,303	\$ 1,717,757	\$ 250,546	14.6%
Nonspendable	1,010,199	945,107	65,092	6.9%
Committed	5,702,265	4,280,787	1,421,478	33.2%
Assigned	4,667,502	8,767,035	(4,099,533)	-46.8%
Unassigned	26,427,718	24,724,161	1,703,557	6.9%
	<u>\$ 39,775,987</u>	<u>\$ 40,434,847</u>	<u>\$ (658,860)</u>	<u>-1.6%</u>



This represents a total fund balance decrease of 1.6% (\$659,000) from the prior year. The General Fund fund balance increased 6.9% (\$1.7 million). The City has a healthy unassigned fund balance with a formal policy to maintain a minimum fund balance of three months of operating revenues. Excess fund balance over this minimum was \$13.4 million at the end of 2023. The City also has an informal policy to maintain a minimum unassigned General Fund fund balance of eight million dollars, if the three months of operating revenues fall below this threshold.

Proprietary Funds

The City’s proprietary funds are all categorized as enterprise operations, and consist of the Solid Waste Fund and Civic Center Fund. During the current fiscal year, \$1.0 million was transferred from the governmental funds to subsidize enterprise fund operations. This amount represents 30.4% of the total enterprise funds operating revenues and transfers in. The total amount of transfers increased \$400,000 from the prior fiscal year.

Proprietary Funds (Continued)

The Solid Waste Fund required transfers of \$608,000 during the current fiscal year, an increase of 68.1% (\$246,000) from the prior year.

The Civic Center Fund required transfers of \$400,000 during the current fiscal year, an increase of 62.3% (\$154,000) from the prior year.

A summary and comparison of the enterprise funds' operating results for the 2023 and 2022 fiscal years are presented below:

	Solid Waste		Civic Center		TOTAL	
	2023	2022	2023	2022	2023	2022
Fees and charges	\$ 1,943,011	\$ 1,863,252	\$ 361,441	\$ 378,527	\$ 2,304,452	\$ 2,241,779
Other receipts	33,800	184,182	58,677	34,878	92,477	219,060
Transfers	608,025	361,627	400,198	246,523	1,008,223	608,150
Revenues	2,584,836	2,409,061	820,316	659,928	3,405,152	3,068,989
Personnel	1,087,040	950,983	384,844	309,911	1,471,884	1,260,894
Operating	1,476,409	1,433,670	435,472	350,017	1,911,881	1,783,687
Interest	21,387	24,408	-	-	21,387	24,408
Expenses	2,584,836	2,409,061	820,316	659,928	3,405,152	3,068,989
Revenues Over (Under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Analysis of Changes in Major Funds

Major funds are funds whose total revenues, expenditures/expenses, assets or liabilities are at least 10 percent of corresponding totals for all funds of that category or type (governmental or enterprise fund) and at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The General Fund is always considered a major fund. The major funds presented are considered to be of particular importance to financial statement users. In addition to the General Fund, other funds determined to be major governmental funds are the Capital Reserve Fund, the Solid Waste Fund, and the Civic Center Fund. The Capital Reserve Fund and the Solid Waste Fund have been major funds for several years in a row. The COVID-19 Relief Fund was a new fund created in 2021 to report the expenditures related to \$3.9 million received from the American Rescue Plan Act (ARPA) and had been a major fund since inception. However, in FY 2023, this fund was no longer considered a major fund. With the implementation of GASB Statement 87, *Leases*, the Civic Center Fund became a major fund in 2022 due to the recording of a significant long-term leasing agreement for the Civic Center facility and continued to be a major fund into 2023.

General Fund (Governmental)

At the end of the current fiscal year, the total fund balance of the City's General Fund increased 4.2% (\$1.1 million) over the prior year's ending balance. Fund balance reflects the cumulative excess of revenues and other financing sources over expenditures and other financing uses. The current fiscal year ending fund balance was \$27.6 million, compared to \$26.5 million at the end of the prior year.

General Fund (Governmental) (Continued)

Cash and cash equivalents (including equity in pooled cash) plus investments increased by 5.6% (\$1.3 million) during the current fiscal year, over the cash and cash equivalents plus investments amount for the prior year. The increase is a direct result of the increase in fund balance for the year.

As noted in others parts of the Management’s Discussion and Analysis, the \$1.1 increase in fund balance is attributable to several things. Overall General Fund revenues increased \$6.3 million with expenses only increasing \$4.5 million. Ad Valorem taxes increased \$1.0 million due to the significant population growth and increase in number of households. The assessed value of property in the City increased 15.9% year over year. This was due to both new construction and also an overall increase in the value of property. The large increase in grants of \$2.6 million was largely offset by capital outlay expenditures in the same amount. These large increases in revenue helped offset the high inflationary costs the City experienced in its day-to-day operations.

Capital Reserve Fund (Governmental)

The Capital Reserve Fund reports financial resources transferred principally from the General Fund for capital purposes. The cash and cash equivalents decreased \$3.9 million, which approximated the amount the fund balance decreased from fiscal year 2022. When the City transfers money from the General Fund for capital projects it can take one to two years to expend all of the funds while the projects are ongoing. There was a significant amount of capital projects completed in 2023 of which the funding was transferred in 2022. This resulted in the large decrease in cash and corresponding decrease in fund balance.

Solid Waste (Proprietary)

The Solid Waste Fund is associated with the City’s self-collection of refuse and recycling materials. Total assets and liabilities in fiscal year 2023 are comparable to the amount in fiscal year 2022 and there is no change in net position as the City General Fund provides monthly transfers to help offset the operating loss of this fund.

Civic Center Fund (Proprietary)

The Civic Center Fund is associated with the operation of the Civic Center, which includes renting the facility for both public and private events. The assets and liabilities in fiscal year 2023 are comparable to the amount in fiscal year 2022 and there is no change in net position as the City General Fund provides monthly transfers to help offset the operating loss of this fund.

General Fund Budgetary Highlights

The City adopts an annual budget each September for the upcoming fiscal year beginning in October. The City's management actively uses the budget as a financial management tool. The budget is integrated with the financial management system, enabling management at all levels to determine budgetary status on an ongoing line-item basis.

Detailed information for the General Fund budget is presented in the *Required Supplemental Information* section. The originally adopted budget reflected revenues over expenditures by \$1.0 million. The final amended budget reflected revenues under expenditures by \$9.5 million. Actual results reflect an excess of revenues over expenditures (budgetary basis) of \$1.5 million. This \$11.0 million positive variance is due to actual revenues in excess of budget estimates by \$5.0 million, and budgeted departmental personnel and operating costs under budget estimates by \$1.8 million and \$632,000, respectively. Capital outlay costs were under budget by \$33,000 and other financing sources (uses) were under budget by \$3.6 million.

Revenues - The significant components that produced the excess of actual revenues over final budgeted estimates of \$5.0 million are:

- Sales, use and luxury taxes – The City was very conservative in the budgeting process due to the uncertainty of a possible recession and lingering effects of COVID-19. The excess of actual over final budgeted estimates of \$2.5 million reflects the continued, strong local economy as evidenced by increasing business activity and population growth and no effects from the aforementioned concerns. Sales, use, and luxury taxes showed an actual growth of \$993,000 (3.3%) over fiscal year 2022.
- Licenses and permits – The City was very conservative in the budgeting process for this category due to the uncertainty of a possible recession and a downturn in the construction industry. The excess of actual over final budgeted estimates of \$755,000 reflects the current booming housing market with increased construction and housing improvements that continued into 2023 for the City. While revenue was significantly higher than budgeted amounts, licenses and permit revenue was flat compared to the prior year, with only a \$27,000 increase.
- Payments in lieu of taxes (PILOT) – The excess of actual over final budgeted amounts of \$375,000 is due to higher than normal collections from the local utilities companies for PILOT taxes. The electricity PILOT fees can vary year to year based on the frequency of extreme weather temperatures.
- Interest and investment earnings – The excess of actual over the final budgeted amount of \$306,500 is partly attributable to the performance of the City investment account, which rebounded from the prior year poor performance. Additionally, the City benefited from higher interest yields on its' cash accounts.

Departmental costs – Significant components that produced the excess of actual departmental expenditures under final budgeted amounts of \$2.4 million are:

- Personnel actual expenditures are under final budgeted amounts by \$1.8 million (7.5%). The personnel component of the budget is estimated based on all positions being filled for the full year; vacancies are experienced during the year, so this results in actual expenditures normally being less than the budgeted amounts. Similar to the difficult labor market experienced across the country, the City is experiencing high turnover and significant difficulties in filling vacant positions. Significant personnel under budget components include:
 - General government – Executive (including merit allowance for employees) 17% (\$76,000); Municipal Court 12% (30,000); Planning 17% (\$73,000); Building Maintenance 27% (\$120,000); and Janitorial 23% (\$21,000)

General Fund Budgetary Highlights (Continued)

- Public safety – Patrol 8% (\$257,000); Detective 8% (153,000); Communications 18% (\$135,000); and Animal Control 20% (\$38,000)
- Public works – Streets 29% (\$306,000); Grounds 17% (\$187,000); Mechanical Barn 10% (\$59,000); and MS4 Compliance 17% (\$30,000)
- Culture and recreation – Recreation Parks 11% (\$167,000); and Library 8% (\$78,000)
- Operating (including debt service) actual expenditures are less than final budgeted amounts by \$632,000 (6.4%). Significant operating expenditure components include:
 - Executive 59% (\$24,000) under budget
 - Community Events 18% (\$97,000) under budget
 - Human Resources 9% (\$31,000) under budget
 - Finance 13% (\$37,000) under budget
 - Legal and Risk Management 10% (\$115,000) over budget
 - Fire 6% (\$43,000) under budget
 - Building inspections 30% (\$22,000) under budget
 - Grounds 13% (\$63,000) under budget
 - Mechanic shop net reimbursed costs 46% (\$103,000) under budget
 - MS4 compliance 44% (\$24,000) under budget
 - Recreation Parks 10% (\$103,000) under budget
 - Recreation 17% (\$25,000) under budget
 - Athletic and Fitness Programs 20% (\$37,000) under budget
 - Library 9% (\$25,000) under budget

Other financing sources (uses) – Significant components that produced the excess of actual expenditures under final budgeted amounts of \$3.6 million (24%) are:

- Transfers to Special Revenue funds – Actual expenditures are under final budgeted amounts by \$2.5 million. The City initially planned to fully fund the construction of the new animal shelter by transferring the construction cost to the Animal Shelter special revenue fund, however, the City decided to finance \$2.5 million of the construction cost (borrowed in FY 2024), which reduced the amount of transfer that was needed from the General Fund.
- Transfers to the Solid Waste and Civic Center Fund - Actual expenditures are under final budgeted amounts by \$1.1 million. The General Fund provides monthly transfers to these proprietary funds to offset the operating losses. Monthly required transfers for the operating losses were \$757,000 and \$299,000 less than budgeted in the Solid Waste and Civic Center Fund, respectively.

CAPITAL ASSET AND DEBT MANAGEMENT

Capital Assets

As of September 30, 2023, the City owned \$169.4 million (net of accumulated depreciation and amortization) in capital assets, invested in a broad range of asset types, including land, buildings, park facilities, roads and bridges, sidewalks, vehicles, and other equipment for governmental and business-type activities.

Capital Assets (Continued)

The following table summarizes the City's capital assets by asset type:

	Governmental Activities		Business-Type Activities		TOTAL		% Change
	2023	2022	2023	2022	2023	2022	
Land	\$ 17,767,464	\$ 14,872,464	\$ -	\$ -	\$ 17,767,464	\$ 14,872,464	19.5%
Buildings	25,797,360	21,734,097	65,325	79,200	25,862,685	21,813,297	18.6%
Other Improvements	23,583,506	19,771,466	-	-	23,583,506	19,771,466	19.3%
Machinery and Eqpt	5,851,938	5,325,163	1,466,592	1,248,654	7,318,530	6,573,817	11.3%
Infrastructure	87,380,518	80,978,060	-	-	87,380,518	80,978,060	7.9%
Intangible Right-to-Use	426,559	33,666	-	-	426,559	33,666	100.0%
Constr in Progress	7,028,286	3,340,076	3,530	3,391	7,031,816	3,343,467	110.3%
TOTAL	\$ 167,835,631	\$ 146,054,992	\$ 1,535,447	\$ 1,331,245	\$ 169,371,078	\$ 147,386,237	14.9%

Overall, during the current fiscal year, governmental capital assets, net of accumulated depreciation and amortization, showed an increase of 14.9% over prior year amounts.

For more detailed information on the City's capital assets, see Notes 7 and 8 in the Notes to Financial Statements.

Long-Term Debt

As of September 30, 2023, the City owed \$24.65 million in long-term warrants outstanding, and \$1.5 million in leases outstanding, of which \$2.9 million will mature during the upcoming fiscal year. The following table summarizes the long-term debt:

	Governmental Activities		Business-Type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
Warrants	\$24,650,442	\$26,950,794	\$ -	\$ -	\$ 24,650,442	\$ 26,950,794
Leases	711,717	1,047,606	800,417	1,161,792	1,512,134	2,209,398
	\$25,362,159	\$27,998,400	\$ 800,417	\$ 1,161,792	\$ 26,162,576	\$ 29,160,192

In fiscal year 2023, total principal payments on outstanding warrants amounted to \$2.3 million with no new warrant debt issued.

There were no leases issued during the current fiscal year and total principal payments on outstanding leases amounted to \$697,000.

See Notes 10, 11, 12, 13 and 14 of the Notes to Financial Statements section for more detailed information concerning the City's debt issuances and debt outstanding.

Long-Term Debt (Continued)

Pursuant to State of Alabama statutes, the City's general obligation debt issuances are subject to a legal limitation of 20% of the net assessed real and personal property values. As of September 30, 2023, the City's permissible debt limit exceeded actual debt by \$114.2 million. This debt margin is \$21.2 million higher than the prior year debt margin.

Bond Ratings

In March 2010, the City received rating upgrades on its bond debt from the two major international rating agencies, Moody's Investor Services and Standard & Poor's Rating Services. The City's "stand-alone" rating (rating with no insurance) was upgraded by Moody's from A1 to Aa3 and by Standard & Poor's from A+ to AA. The ratings were affirmed in December 2011 with Standard & Poor's issuing an "AA Stable" rating. The City received a rating upgrade by Standard & Poor's to AA+ with the issuance of the 2014 General Obligation Refunding Warrants in November 2014. This rating with Standard & Poor's was reaffirmed in July 2016, May 2019, September 2020, and again in August 2023 with the issuance and/or refunding of debt.

Reasons cited for the upgrade included strong economy, strong budgetary performance, good financial policies and practices, and a strong debt profile. These ratings reflect the ongoing commitment of the City's elected officials and management staff to make wise, financially responsible decisions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current fiscal year 2024 General Fund budget reports an increase of 2.2% (\$550,500) in sales, use, and luxury taxes over the prior year budget. The City's sales and use tax revenue has been showing steady incremental increases with no significant effects from other economic conditions. The upcoming budget reflected this same increase in sales tax revenue. After four months of collections, actual collections are exceeding budgeted amounts.

Effective in fiscal year 2016, the City adopted a formal policy targeted to maintain a minimum unassigned fund balance equal to three months of operating revenues for the General Fund. For the upcoming fiscal year, this would equate to an unassigned fund balance of \$13.01 million. At the end of the current fiscal year, the unassigned fund Balance is 50.8% of the fiscal year 2023 General Fund revenues.

With an unassigned fund balance of the General Fund at the beginning of the upcoming fiscal year of \$26.4 million, the City Council continues to have the resource reserves to fund capital expenditures on a pay-as-you-go basis during the upcoming year.

There have been no significant changes made in the business-type activities through the first four months of the 2024 fiscal year. The City of Daphne continues to maintain a strong financial position that is aided by the continuing stable local economy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions regarding this report or any additional financial information should be directed to the Finance Director, Finance Department, City of Daphne, 1705 Main Street (PO Box 400) Daphne, Alabama, 36526.

Basic Financial Statements

These statements provide a summary overview of the financial position of all funds and the operating results by fund types for the City. They also serve as an introduction to the more detailed statements and schedules that follow. Separate columns are used for each fund type.

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, equity in pooled cash	\$ 27,659,800	\$ 536,976	\$ 28,196,776
Investments	9,868,773	-	9,868,773
Receivables (net)	13,099,286	567,388	13,666,674
Due from Industrial Development Board	845,000	-	845,000
Inventories	447,579	-	447,579
Other assets	562,620	-	562,620
Capital assets:			
Non-depreciable	24,795,750	3,530	24,799,280
Depreciable, net	142,613,322	1,531,917	144,145,239
Intangible right-to-use, net	426,559	-	426,559
Total assets	<u>220,318,689</u>	<u>2,639,811</u>	<u>222,958,500</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post-employment benefits outflows	2,752,658	169,456	2,922,114
Deferred pension outflows	7,841,385	529,506	8,370,891
Total deferred outflows of resources	<u>10,594,043</u>	<u>698,962</u>	<u>11,293,005</u>
Total assets and deferred outflows of resources	<u>\$ 230,912,732</u>	<u>\$ 3,338,773</u>	<u>\$ 234,251,505</u>

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

STATEMENT OF NET POSITION, CONTINUED
AS OF SEPTEMBER 30, 2023

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
LIABILITIES			
Accounts payable	\$ 3,447,904	\$ 79,148	\$ 3,527,052
Accrued liabilities	568,786	29,915	598,701
Accrued interest payable	147,267	6,501	153,768
Bond deposits	124,200	-	124,200
Unearned revenue	-	81,859	81,859
Non-current liabilities:			
Due within one year:			
Compensated absences	256,923	13,434	270,357
Leases payable	264,077	344,414	608,491
Bonds payable	2,331,540	-	2,331,540
Due in more than one year:			
Other post-employment benefits liability	5,567,066	393,100	5,960,166
Net pension liability	11,376,012	810,842	12,186,854
Intangible right-to-use lease liability	399,253	-	399,253
Compensated absences	171,282	8,955	180,237
Leases payable	447,640	456,003	903,643
Bonds payable	24,020,504	-	24,020,504
Total liabilities	<u>49,122,454</u>	<u>2,224,171</u>	<u>51,346,625</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	194,401	29,755	224,156
Deferred lease inflows	481,553	370,064	851,617
Deferred other post-employment benefits inflows	1,756,796	107,909	1,864,705
Total deferred inflows of resources	<u>2,432,750</u>	<u>507,728</u>	<u>2,940,478</u>
NET POSITION			
Net investment in capital assets	140,372,617	735,030	141,107,647
Restricted for:			
Debt service	495,199	-	495,199
Law enforcement	287,308	-	287,308
Court and corrections	416,863	-	416,863
Streets and drainage	721,010	-	721,010
Other purposes	47,923	-	47,923
Unrestricted	37,016,608	(128,156)	36,888,452
Total net position	<u>179,357,528</u>	<u>606,874</u>	<u>179,964,402</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 230,912,732</u>	<u>\$ 3,338,773</u>	<u>\$ 234,251,505</u>

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,307,689	\$ 6,586,273	\$ 23,215	\$ -
Public safety	16,919,393	2,169,968	19,611	445,464
Public works	13,260,770	74,992	29,640	7,496,815
Culture and recreation	6,621,960	516,274	94,948	5,650,000
Interest and costs on long-term debt	589,454	-	-	-
Total governmental activities	<u>44,699,266</u>	<u>9,347,507</u>	<u>167,414</u>	<u>13,592,279</u>
Business-type activities:				
Solid Waste	2,584,836	1,943,011	-	-
Civic Center	820,316	365,481	36,000	-
Total business-type activities	<u>3,405,152</u>	<u>2,308,492</u>	<u>36,000</u>	<u>-</u>
Total primary government	<u>\$ 48,104,418</u>	<u>\$ 11,655,999</u>	<u>\$ 203,414</u>	<u>\$ 13,592,279</u>

General revenues and transfers:

Sales, use, and luxury taxes

Ad valorem taxes

Investment gain and interest earnings

Miscellaneous revenue

Gain on disposal of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Prior period adjustments

Restated net position, beginning of the year

Net position, end of year

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

STATEMENT OF ACTIVITIES - CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (698,201)	\$ -	\$ (698,201)
(14,284,350)	-	(14,284,350)
(5,659,323)	-	(5,659,323)
(360,738)	-	(360,738)
(589,454)	-	(589,454)
(21,592,066)	-	(21,592,066)
-	(641,825)	(641,825)
-	(418,835)	(418,835)
-	(1,060,660)	(1,060,660)
(21,592,066)	(1,060,660)	(22,652,726)
31,629,098	-	31,629,098
9,654,925	-	9,654,925
483,137	18,637	501,774
862,189	-	862,189
6,807	33,800	40,607
(1,008,223)	1,008,223	-
41,627,933	1,060,660	42,688,593
20,035,867	-	20,035,867
159,089,380	606,874	159,696,254
232,281	-	232,281
159,321,661	-	159,928,535
\$ 179,357,528	\$ 606,874	\$ 179,964,402

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, equity in pooled cash	\$ 14,204,435	\$ 4,215,370	\$ 9,239,995	\$ 27,659,800
Investments	9,868,773	-	-	9,868,773
Taxes receivable	11,399,983	-	175,138	11,575,121
Grants receivable	180,621	723,961	18,115	922,697
Other receivables	116,358	-	3,557	119,915
Lease receivables	198,474	-	283,079	481,553
Due from Industrial Development Board	845,000	-	-	845,000
Inventories	447,579	-	-	447,579
Other assets	562,620	-	-	562,620
Total assets	<u>\$ 37,823,843</u>	<u>\$ 4,939,331</u>	<u>\$ 9,719,884</u>	<u>\$ 52,483,058</u>
LIABILITIES				
Accounts payable	\$ 1,446,594	\$ 526,780	\$ 1,474,530	\$ 3,447,904
Accrued liabilities	568,130	-	656	568,786
Bond deposits	-	-	124,200	124,200
Total liabilities	<u>2,014,724</u>	<u>526,780</u>	<u>1,599,386</u>	<u>4,140,890</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - grant revenue	22,015	-	122,600	144,615
Deferred revenue - leases	198,474	-	283,079	481,553
Deferred revenue - property taxes	7,940,013	-	-	7,940,013
Total deferred inflows of resources	<u>8,160,502</u>	<u>-</u>	<u>405,679</u>	<u>8,566,181</u>
FUND BALANCES				
Nonspendable	1,010,199	-	-	1,010,199
Restricted	-	-	1,968,303	1,968,303
Committed	-	-	5,702,265	5,702,265
Assigned	210,700	4,412,551	44,251	4,667,502
Unassigned	26,427,718	-	-	26,427,718
Total fund balances	<u>27,648,617</u>	<u>4,412,551</u>	<u>7,714,819</u>	<u>39,775,987</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 37,823,843</u>	<u>\$ 4,939,331</u>	<u>\$ 9,719,884</u>	<u>\$ 52,483,058</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023**

Total fund balances, governmental funds \$ 39,775,987

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	\$ 323,040,755	
Less: accumulated depreciation and amortization	<u>(155,205,124)</u>	167,835,631

Other assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.

Deferred pension and post-employment benefits outflows		10,594,043
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Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.

Bonds and warrants payable	(24,650,442)	
Bond premium	(1,701,602)	
Obligations under leases	(711,717)	
Compensated absences	(428,205)	
Intangible right-to-use lease liability	(399,253)	
Accrued interest	<u>(147,267)</u>	(28,038,486)

Other post-employment benefits are not due and payable in the current period, and therefore are not reported in the governmental funds.

Other post-employment benefits liability	(5,567,066)	
Net pension liability	(11,376,012)	
Deferred inflows of resources	<u>(1,951,197)</u>	(18,894,275)

Revenues will be collected after year-end, but are not available soon enough to pay for current period expenditures, and therefore are deferred in the governmental funds.

Property taxes	7,940,013	
Grant revenue	<u>144,615</u>	<u>8,084,628</u>

Net position of governmental activities in the Statement of Net Position		<u>\$ 179,357,528</u>
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The accompanying notes are an integral part of the financial statements.

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

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Sales, use, luxury	\$ 28,189,401	\$ -	\$ 2,757,785	\$ 30,947,186
Ad valorem	8,395,612	-	-	8,395,612
Total taxes	36,585,013	-	2,757,785	39,342,798
Licenses and permits	4,465,309	-	-	4,465,309
Payments in lieu of taxes	3,039,655	-	-	3,039,655
Fines and forfeitures	367,178	-	216,834	584,012
Charges for services	1,099,066	-	159,465	1,258,531
Intergovernmental	681,912	254,116	33,573	969,601
Grants	4,120,440	2,634,979	3,314,003	10,069,422
Interest and investment earnings	382,500	80,062	20,575	483,137
Contributions	395,214	30,000	69,670	494,884
Miscellaneous	922,597	44,050	3,150	969,797
Total revenues	52,058,884	3,043,207	6,575,055	61,677,146
EXPENDITURES				
Current:				
General government	6,115,769	212	698,902	6,814,883
Public safety	14,978,086	-	118,836	15,096,922
Public works	6,087,592	727,321	225,001	7,039,914
Culture and recreation	4,069,814	112,869	279,985	4,462,668
Capital outlay	8,766,351	9,189,717	6,677,575	24,633,643
Debt service:				
Principal	125,163	-	2,636,241	2,761,404
Interest	1,218	-	749,412	750,630
Total expenditures	40,143,993	10,030,119	11,385,952	61,560,064
Excess (deficiency) of revenues over (under) expenditures	11,914,891	(6,986,912)	(4,810,897)	117,082
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,530,020	7,201,474	10,731,494
Transfers out	(11,039,717)	-	(700,000)	(11,739,717)
Total other financing sources (uses)	(11,039,717)	3,530,020	6,501,474	(1,008,223)
Net change in fund balances	875,174	(3,456,892)	1,690,577	(891,141)
Fund balances, beginning	26,541,162	7,869,443	6,024,242	40,434,847
Prior period adjustment	232,281	-	-	232,281
Fund balances, ending	\$ 27,648,617	\$ 4,412,551	\$ 7,714,819	\$ 39,775,987

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

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

Net change in fund balances, total governmental funds \$ (891,141)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 24,633,643	
Contributions of capital assets	6,088,025	
Less current year depreciation and amortization	<u>(9,371,772)</u>	21,349,896

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.

Property taxes	1,259,312	
Grant revenue	<u>(3,224,373)</u>	(1,965,061)

In the Statement of Activities only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Gain on the disposal of assets	6,807	
Proceeds from the sale of assets	<u>(63,561)</u>	(56,754)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in post-employment benefits and deferred inflows of resources	(1,945,650)	
Amortization of premium	149,169	
Change in net pension liability and deferred inflows of resources	(5,205,624)	
Change in compensated absences	(19,546)	
Change in accrued interest	<u>12,007</u>	(7,009,644)

Some expenditures reported in governmental funds are to be paid on a long-term basis and therefore are not reported as expenses in the Statement of Activities.

Change in deferred outflows - post-employment benefits	1,894,096	
Change in deferred outflows - employer retirement contributions	<u>3,953,071</u>	5,847,167

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

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

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal and other debt service payments	2,761,404	2,761,404
Change in net position of governmental activities		\$ 20,035,867

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



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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023

	Major Fund		Total
	Solid Waste	Civic Center	
ASSETS			
Current assets:			
Cash, equity in pooled cash	\$ 339,010	\$ 197,966	\$ 536,976
Due from Utilities Board	159,508	-	159,508
Other receivables	1,816	-	1,816
Grant receivable	-	36,000	36,000
Lease receivable	-	370,064	370,064
Total current assets	<u>500,334</u>	<u>604,030</u>	<u>1,104,364</u>
Noncurrent assets:			
Capital assets:			
Roads	135,102	-	135,102
Facilities	105,053	138,752	243,805
Vehicles	3,350,101	15,828	3,365,929
Rental equipment and supplies	-	12,950	12,950
Equipment and office furniture	92,370	169,064	261,434
Construction in progress	3,530	-	3,530
Total capital assets	<u>3,686,156</u>	<u>336,594</u>	<u>4,022,750</u>
Less: accumulated depreciation	<u>(2,249,634)</u>	<u>(237,669)</u>	<u>(2,487,303)</u>
Total noncurrent assets	<u>1,436,522</u>	<u>98,925</u>	<u>1,535,447</u>
Total assets	<u>1,936,856</u>	<u>702,955</u>	<u>2,639,811</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post-employment benefits outflows	130,273	39,183	169,456
Deferred pension outflows	394,826	134,680	529,506
Total deferred outflows of resources	<u>525,099</u>	<u>173,863</u>	<u>698,962</u>
Total assets and deferred outflows of resources	<u>\$ 2,461,955</u>	<u>\$ 876,818</u>	<u>\$ 3,338,773</u>

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

STATEMENT OF NET POSITION, CONTINUED
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023

	Major Fund		Total
	Solid Waste	Civic Center	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 31,369	\$ 47,779	\$ 79,148
Accrued liabilities	21,627	8,288	29,915
Interest payable	6,501	-	6,501
Unearned revenue	-	81,859	81,859
Compensated absences	9,281	4,153	13,434
Leases payable - current	344,414	-	344,414
Total current liabilities	<u>413,192</u>	<u>142,079</u>	<u>555,271</u>
Noncurrent liabilities:			
Leases payable - noncurrent	456,003	-	456,003
Compensated absences	6,187	2,768	8,955
Net pension liability	598,596	212,246	810,842
Other post-employment benefits liability	273,371	119,729	393,100
Total noncurrent liabilities	<u>1,334,157</u>	<u>334,743</u>	<u>1,668,900</u>
Total liabilities	<u>1,747,349</u>	<u>476,822</u>	<u>2,224,171</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	22,164	7,591	29,755
Deferred lease inflows	-	370,064	370,064
Deferred other post-employment benefits inflows	85,568	22,341	107,909
Total deferred inflows of resources	<u>107,732</u>	<u>399,996</u>	<u>507,728</u>
NET POSITION			
Net investment in capital assets	636,105	98,925	735,030
Unrestricted net position	(29,231)	(98,925)	(128,156)
Total net position	<u>606,874</u>	<u>-</u>	<u>606,874</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,461,955</u>	<u>\$ 876,818</u>	<u>\$ 3,338,773</u>

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

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

	Major Fund		Total
	Solid Waste	Civic Center	
OPERATING REVENUES			
Charges for services	\$ 1,943,011	\$ 361,441	\$ 2,304,452
Community events	-	4,040	4,040
Total operating revenues	<u>1,943,011</u>	<u>365,481</u>	<u>2,308,492</u>
OPERATING EXPENSES			
Wages	686,558	253,171	939,729
Overtime	31,244	6,686	37,930
Payroll related	161,848	54,507	216,355
Other personnel expense	207,390	70,480	277,870
Total personnel services	<u>1,087,040</u>	<u>384,844</u>	<u>1,471,884</u>
Advertising	12,295	798	13,093
Depreciation	470,858	22,244	493,102
Employee supplies and uniforms	9,368	821	10,189
Employee support	6,939	825	7,764
Equipment purchases, rentals, lease	6,679	90,073	96,752
Fuel	167,436	1,134	168,570
Garbage and recycle containers	61,127	-	61,127
Garbage and debris removal	-	3,179	3,179
Insurance	48,433	18,987	67,420
Landfill fees	321,284	-	321,284
Maintenance	301,233	109,489	410,722
Supplies	727	16,936	17,663
Other services	66,521	23,610	90,131
Professional services	3,000	15,080	18,080
Trustee assignments	-	8,767	8,767
Utilities	509	123,529	124,038
Total operating expenses	<u>2,563,449</u>	<u>820,316</u>	<u>3,383,765</u>
Operating loss	<u>(620,438)</u>	<u>(454,835)</u>	<u>(1,075,273)</u>
NON OPERATING REVENUES (EXPENSES)			
Grant revenue	-	36,000	36,000
Gain on sale of assets	33,800	-	33,800
Interest income	-	18,637	18,637
Interest expense	(21,387)	-	(21,387)
Total non-operating revenues (expenses)	<u>12,413</u>	<u>54,637</u>	<u>67,050</u>
Loss before transfers	<u>(608,025)</u>	<u>(400,198)</u>	<u>(1,008,223)</u>
Transfers from other funds	<u>608,025</u>	<u>400,198</u>	<u>1,008,223</u>
Change in net position	-	-	-
Total net position, beginning	<u>606,874</u>	<u>-</u>	<u>606,874</u>
Total net position, ending	<u>\$ 606,874</u>	<u>\$ -</u>	<u>\$ 606,874</u>

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

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

	Major Fund		Total
	Solid Waste	Civic Center	
Cash flows from operating activities:			
Receipts from customers	\$ 2,031,475	\$ 385,431	\$ 2,416,906
Payments to suppliers	(1,063,490)	(386,235)	(1,449,725)
Payments to employees	(1,020,671)	(363,603)	(1,384,274)
Net cash used in operating activities	(52,686)	(364,407)	(417,093)
Cash flows from noncapital financing activities:			
Net contributions from other funds	608,025	400,198	1,008,223
Net cash provided by noncapital financing activities	608,025	400,198	1,008,223
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(361,375)	-	(361,375)
Interest paid on capital debt	(21,417)	-	(21,417)
Purchases of capital assets	(677,493)	(19,811)	(697,304)
Proceeds from disposal of capital assets	33,800	-	33,800
Net cash used in capital and financing activities	(1,026,485)	(19,811)	(1,046,296)
Cash flows from investing activities:			
Interest income	-	18,637	18,637
Net cash provided by investing activities	-	18,637	18,637
Net change in cash and cash equivalents	(471,146)	34,617	(436,529)
Equity in pooled cash, beginning	810,156	163,349	973,505
Equity in pooled cash, ending	\$ 339,010	\$ 197,966	\$ 536,976

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

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

	Major Fund		Total
	Solid Waste	Civic Center	
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (620,438)	\$ (454,835)	\$ (1,075,273)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation expense	470,858	22,244	493,102
Change in assets and liabilities:			
Receivables	88,464	190,639	279,103
Deferred outflows of resources	(240,711)	(85,548)	(326,259)
Accounts payable	(57,939)	26,993	(30,946)
Accrued expenses	3,636	2,767	6,403
Unearned revenue	-	18,675	18,675
Compensated absences	(831)	(802)	(1,633)
Deferred inflows of resources	(126,111)	(234,631)	(360,742)
Net pension liability	378,734	134,333	513,067
Other post-employment benefits liability	51,652	15,758	67,410
Net cash used in operating activities	<u>\$ (52,686)</u>	<u>\$ (364,407)</u>	<u>\$ (417,093)</u>

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023

	OPEB Trust Fund	Custodial Confiscated Funds
ASSETS		
Cash, equity in pooled cash	\$ 51,832	\$ 14,320
Investments:		
Equities	299,868	-
Other - marketable	41,729	-
Fixed Income	785,642	-
Total investments	1,127,239	-
Total assets	1,179,071	14,320
LIABILITIES		
Accounts payable	-	14,320
Total liabilities	-	14,320
NET POSTION		
Restricted for:		
Other post employment benefits	1,179,071	-
Total net position	1,179,071	-
Total liabilities and net postion	\$ 1,179,071	\$ 14,320

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>OPEB Trust</u> <u>Fund</u>	<u>Custodial</u> <u>Confiscated</u> <u>Funds</u>
Additions:		
Employer contributions	\$ 250,000	\$ -
Investment income:		
Net increase in fair value of investments	17,792	-
Interest and dividends	36,364	-
Net investment income	<u>54,156</u>	<u>-</u>
Total additions	<u>304,156</u>	<u>-</u>
 Deductions:		
Administrative expense	<u>5,694</u>	<u>-</u>
Total deductions	<u>5,694</u>	<u>-</u>
 Net increase in fiduciary net position	 <u>298,462</u>	 <u>-</u>
 Net position - beginning	 <u>880,609</u>	 <u>-</u>
 Net position - ending	 <u><u>\$ 1,179,071</u></u>	 <u><u>\$ -</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

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NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Daphne, Alabama (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to municipal governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. Reporting Entity

The City of Daphne, Alabama was founded in 1927 under the laws of the State of Alabama. The City is located in Baldwin County on the eastern shore of Mobile Bay. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture, recreation, public improvements, planning, zoning, and general administrative services.

As required by Governmental Accounting Standards Board (GASB) Statement No. 61, the accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Component units are included in the reporting entity because of the significance of their operational relationship with the primary government. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and are able to either impose their will on that organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. Lastly, even if the primary government is not financially accountable, an organization should be included if its exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units are, in substance, part of the primary government's operations even though they are legally separate entities. Component units are included in the reporting entity financial statement using the blending method in any of these circumstances:

- a) The component unit's governing body is substantively the same as the governing body of the primary government *and* there is a financial benefit or burden relationship *or* management of the primary has operational responsibility for the component unit.
- b) The component unit provides services entirely, or almost entirely, to the primary government *or* exclusively, or almost exclusively, benefits the primary government.
- c) The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. Otherwise, the organization is a discretely presented component unit, and its data is reported together with, but separately from, the data of the City in the government-wide financial statements.

The City has no discretely presented or blended component units that meet the above criteria.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Related Organizations

The City's officials are responsible for appointing the members of the board of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The following organizations are related organizations that are excluded from the reporting entity:

- Utilities Board of the City of Daphne
- Industrial Development Board
- Downtown Redevelopment Authority
- Library Board
- Planning Commission
- Recreation Board
- Daphne Public School Commission
- Board of Zoning Adjustment

B. Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statement) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, culture and recreation, etc.), which are otherwise being supported by general government revenues (sales and use taxes, ad valorem taxes, payments in lieu of taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. The program revenues must be directly associated with the function or business-type activity. Program revenues include charges for services, fees, and fines and forfeitures. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The remaining net expenses (by function or business-type activity) are normally covered by general revenue (ad valorem, sales and use taxes, intergovernmental revenues, interest income, etc.)

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. The funds are normally budgeted in this manner. This presentation is deemed most appropriate to demonstrate (a) legal and covenant compliance, (b) the source and use of liquid resources, and (c) how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's fiduciary funds are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, deferred outflows, fund balance, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

1. Governmental Funds

The measurement focus of the governmental funds (in the fund financial statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. All debt repayment transactions of the City flow through this fund.

Special Revenue Funds – The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – The capital projects funds are used to account for financial resources to be used for the acquisition/construction of capital facilities and infrastructure (other than those financed by proprietary funds and trust funds).

2. Proprietary Funds

The proprietary funds account for activities for which a fee is charged to external users for goods and services. The focus of proprietary fund measurement is on determination of operating income, changes in net fund assets, financial position, and cash flows, which is similar to businesses. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for all of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Funds

Fiduciary funds are used to report assets held by the City as trustee or agent for individuals, other governments and/or other funds. These assets are held in a trust capacity for the various beneficiaries and cannot be used to support the City's programs. These funds include the Other Post-Employment Benefits (OPEB) Trust Fund and Confiscated Funds Account Fund. The OPEB Trust Fund is associated with the administration of the City of Daphne Retiree Benefits Plan that is used to provide other post-employment benefits for all permanent full-time employees of the City. The Confiscated Funds Account Fund is a custodial fund that temporarily houses funds that have been seized by the Daphne Police Department. Funds are released by a court order.

4. Major Funds

GASB Statement No.34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements section.

The City reports the following major governmental funds:

- The General Fund (See note on previous page).
- The Capital Reserve Fund – Financial resources are transferred from the General Fund (principally) for capital purposes, such as road resurfacing and other capital projects.

The City reports the following major proprietary funds:

- The Solid Waste Fund - This fund is associated with the City's self-collection of refuse and recycling materials.
- The Civic Center Fund – This fund is associated with the operation of the Civic Center, which includes renting the facilities for both public and private social events, as well as providing entertainment through certain City-sponsored events.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues, expenditures, expenses, and transfers (and assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statement are presented on a modified accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Accrual Basis - Revenues are recognized when earned and expenses are recognized when incurred.
2. Modified Accrual Basis - Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual; i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City defines the length of time used for “available” (for purposes of revenue recognition in the governmental fund financial statements), to be thirty (30) to sixty (60) days. The major revenue source that is susceptible to the sixty (60) day accrual period is property taxes. The revenues collected in October and November are considered to be revenues that pay for liabilities as of September 30. Sales and use taxes, lodging taxes, and certain intergovernmental revenues are subject to a thirty (30) day accrual as those collections made in October are paid by businesses for September’s actual sales. Each year’s budget and actual financial statements include revenues collected over a twelve-month period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, which is in conformity with accounting principles generally accepted in the United States of America, with the exception that general long-term obligation principal and interest are reported when due.

E. Assets, Liabilities, and Fund Balance/Net Position

1. Cash and Cash Equivalents

The City’s cash includes cash on hand and demand deposits. At September 30, 2023, all bank balances were entirely insured and/or collateralized and/or guaranteed by the full faith and credit of the United States government. All financial institutions holding the City’s funds (deemed public funds) are members of the Security for Alabama Funds Enhancement (SAFE) pool established in the office of the State Treasurer. This plan became effective January 1, 2001.

The City’s cash management pool is treated as a cash equivalent for financial reporting purposes because each individual fund can deposit additional cash or make withdrawals (at any time) without prior notice or penalty.

2. Deposits and Investments

State statutes authorize the City to invest in deposit accounts and certificates of deposits with banks, direct obligations of the United States Treasury Department, and obligations of certain other federal agencies.

All investments, except nonnegotiable certificates of deposits, are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities or money market accounts traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The unrealized gain or loss in investments is reflected in investment earnings.

Nonnegotiable certificates of deposits with redemption terms that do not consider market rates are reported at cost.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Accounts Receivable

Accounts receivable are recorded in the governmental activities and business-type activities, and are reflected net of an allowance for doubtful accounts. As of September 30, 2023, all accounts receivable were considered fully collectible; therefore, no allowance was recorded.

4. Due From/Due to Other Funds

Accounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as “internal balances.”

5. Inventories and Prepaid Items

Inventory held consists of vehicle fuel and repair parts for all City equipment and vehicles. A physical inventory system is in place that establishes a base inventory level of mechanical department parts and supplies in addition to the fuel inventory. Inventories are recorded as an asset in the General Fund, and the cost of inventories is recorded as an expenditure at the time used. Inventories are valued using the average cost method. Appropriate adjustments have been recorded for obsolete and surplus items.

Certain payments to vendors for services that will benefit periods beyond September 30, 2023 are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

6. Restricted Assets

The City is obligated by various sources to restrict the availability of certain assets. Specifically, assets are restricted from external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Assets are also subject to restriction through constitutional law provisions or enabling legislation. City net position is restricted for debt service, capital projects, and certain funds that are restricted by state law.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City’s policy defines capital assets as assets with an initial, individual cost of more than \$5,000 - \$50,000 (depending on asset type) and an estimated useful life in excess of three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property, plant, and equipment are depreciated using the straight-line method over the estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Buildings	25 to 50 years
Other improvements	5 to 25 years
Infrastructure (drainage, streets, bridges, sidewalks and docking)	20 to 30 years
Infrastructure (utilities and landscaping)	5 to 20 years
Machinery and equipment	3 to 10 years
Automotive equipment	5 to 10 years
Office equipment	3 to 10 years

8. Bond Discounts, Bond Premiums, and Issuance Costs

In the governmental funds, bond discounts and bond premiums are treated as period costs in the year of issue. Bond discounts and premiums are shown as an “Other Financing Sources (Uses).”

In the proprietary funds (and for the governmental activities, in the government-wide statements), bond discounts and bond premiums are amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the bonds payable.

Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

9. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions

Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from the difference between projected and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan’s total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees who are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions and amortized over twelve months. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Outflows of Resources from Current Refunding or Advance Refunding of Debt

In the proprietary funds (and for the governmental activities, in the government-wide statements), the difference between the reacquisition price (new debt) and the carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and amortized over the shorter of the remaining life of the old debt or the life of the new debt.

11. Unearned revenue

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned, but not available, is reported as a deferred inflow of resources until such time the revenue becomes available.

In the proprietary funds (and for the governmental activities in the government-wide statements), deferred revenue is reported regardless of its availability.

12. Compensated Absences

City employees are entitled to accumulate earned but unused vacation and sick pay benefits. The City vacation policy is such that a maximum amount (generally 80 hours, or in the case of firefighters, not to exceed 108 hours) of time accrued may be carried forward if unused during the current year. There is no limit on sick leave carried forward, but employees are not entitled to be paid for accumulated sick pay benefits upon termination.

For proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability. Expenditures are recognized in the governmental funds when payments are made to employees.

13. Net Pension Liability

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement 68* (GASB 71), as of October 1, 2014. The net pension liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the respective pension plan's fiduciary net position.

14. Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The accompanying financial statements reflect all other such transactions as transfers.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable Fund Balance* includes amounts that are not in spendable form (such as inventory or prepaid assets) or are required to be maintained intact.
- *Restricted Fund Balance* includes those funds limited to restrictions by creditors, grantors, laws, and regulations of other governments.
- *Committed Fund Balance* includes those funds where the City, at its highest level of decision-making authority (City Council), takes formal action to place constraints on the use of its own resources. 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. The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution, which are equally binding. This is typically done through adoption and amendment of the budget.
- *Assigned Fund Balance* includes those funds reserved for intended use by those purchase orders or designation of encumbrances that are not already included in restricted or committed fund balances. The City Council has in place a long-standing policy of delegating the authority for assigned fund balances to the Finance Department.
- *Unassigned Fund Balance* is the remaining amount available for appropriation within the General Fund that has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if the nonspendable amount exceeds amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a formal minimum fund balance policy. The General Fund unassigned fund balance should maintain a minimum balance of three months of operating revenues. The City also has an informal policy to maintain a minimum unassigned fund balance in the General Fund of eight million dollars, if the three months of operating revenues fall below this threshold. Minimum balance may only be appropriated for capital projects and equipment, or to cover extraordinary circumstances such as economic downturns, natural disasters, or other states of emergencies.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is displayed as three components:

- *Net investment in capital assets* represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Also included in the calculation are related bond premiums and discounts and the deferred expense on refunding of bonds.
- *Restricted net position* consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments.
- *Unrestricted net position* represents the net position available for future operations.

F. Revenues, Expenditures, and Expenses

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

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

Expenditures are recognized when the related fund liability is incurred.

1. Property Tax Revenue and Property Tax Calendar

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1 of the following year.

Government-wide financial statements: Property tax revenues are recognized when they are assessed (legal claim is enforced at this time). The City recognizes total estimated tax collections for the October 1 tax assessment that is collected starting in October of the following fiscal year.

Fund financial statements: Property tax revenues are recognized when they become available. Available consists of those property tax receivables to be collected within sixty days after year-end.

Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budget Policy, Practice, Control, and Basis

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance for the General, special revenue (the majority of these funds), debt service, and proprietary funds, and the same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principle basis. Budgets for certain capital project funds are made on a project basis, spanning more than one fiscal year. In 2023, the following special revenue funds did not have an adopted budget: Flower Fund, Federal Drug Recoveries Fund, and State Drug Recoveries Fund.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel, operating, capital, transfers, and debt service. This constitutes the legal level of control. Budgeted amounts may be transferred among the line items within the department; however, expenditures may not exceed original appropriations at the department level. Budget revisions to increase total departmental appropriations require final approval by the City Council.

The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Encumbrance accounting is used for the General Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as an assignment of fund balance on the Statement of Net Position. Encumbrances do not lapse at the close of the fiscal year, but instead are carried forward as assigned fund balance until liquidated.

H. Pensions

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

I. Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Recently Issued Accounting Pronouncements

GASB Statement 91, *Conduit Debt Obligations*, was issued 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 are effective for fiscal year 2023. The City implemented GASB 91 in fiscal year 2023 with no significant impacts to the financial statements.

GASB Statement 93, *Replacement of Interbank Offered Rates*, was issued to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of GASB 93 are effective for fiscal year 2023. The City implemented GASB 93 in fiscal year 2023 with no significant impacts to the financial statements.

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to improve financial reporting by addressing issues related to public-private and public-public partnership agreements (PPPs). The requirements of GASB 94 are effective for fiscal year 2023. The City implemented GASB 94 in fiscal year 2023 with no significant impacts to the financial statements.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users (governments). The requirements of GASB 96 are effective for fiscal year 2023. The City implemented GASB 96 in fiscal year 2023 with no significant impacts to the financial statements.

GASB Statement 98, *The Annual Comprehensive Financial Report*, was issued to establish the term *Annual Comprehensive Financial Report* and its acronym *ACFR*. The requirements of GASB 98 are effective for fiscal year 2023 but the City implemented the requirements in fiscal year 2021 with use of the new terminology throughout the report.

GASB Statement 99, *Omnibus 2022*, was issued to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of GASB 99 were due immediately in FY 2022 with the remaining requirements effective for fiscal years 2024 and 2025. The requirements of GASB 99 due immediately were implemented with no significant impact on the City's financial statements.

GASB Statement 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement 62, was issued to 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 requirements of GASB 100 are effective for fiscal year 2024. The City is currently evaluating the impact GASB 100 may have on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement 101, *Compensated Absences*, was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of GASB 101 are effective for fiscal 2025. The City is currently evaluating the impact GASB 101 may have on its financial statements.

NOTE 2 – CASH, EQUITY IN POOLED CASH AND CASH EQUIVALENTS

Cash balances available for investment by most City funds are maintained in pooled cash and investment accounts to improve investment opportunities. The equity in pooled cash balances in the accompanying combined balance sheet represents the undivided interest of each respective fund in pooled accounts.

Balances are collateralized with securities held by the Alabama State Treasury for the Security for Alabama Funds Enhancement (SAFE) Program. Each of the banks holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected in a collateral pool administered by the Alabama State Treasury. Included in cash is \$358,172 that is held in two investment accounts. The Securities Investor Protection Corporation (SIPC) insures balances up to \$500,000.

Cash and cash equivalents are reflected in the financial statements as follows:

	Equity in Pooled Funds	Non Pooled Funds	Total Cash and Cash Equivalents
Primary Government:			
Governmental activities:			
General Fund	\$ 13,896,885	\$ 307,550	\$ 14,204,435
Capital Reserve Fund	-	4,215,370	4,215,370
Other non major governmental funds	7,453,481	1,786,514	9,239,995
Total governmental activities	21,350,366	6,309,434	27,659,800
Business-type activities:			
Solid Waste Fund	339,010	-	339,010
Civic Center Fund	197,966	-	197,966
Total business-type activities	536,976	-	536,976
Total primary government	\$ 21,887,342	\$ 6,309,434	\$ 28,196,776

NOTE 3 – DEPOSITS AND INVESTMENTS

The City's investment policies are governed by state statutes and local resolution. Allowable investment instruments include bonds, notes, certificates of indebtedness, treasury bills, securities guaranteed by the full faith and credit of the United States of America, government backed intermediate term mutual funds, interest bearing savings accounts, interest bearing certificates of deposit, and interest bearing time deposits.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

In addition to state laws governing allowable investment instruments, the City initially adopted a formal investment policy in 2016. The City is to invest idle funds based on the following objectives in order of priority: safety, liquidity, and yield. The City's investment portfolio shall be diversified by limiting investments to avoid a concentration in securities from a specific issuer or business sector, limiting investments to avoid a concentration in a single security type excluding U.S. Treasury securities, and investing in securities with varying maturities. The investment portfolio should be managed to obtain a market average rate of return during a market/economic environment of stable interest rates.

Deposits and investments at September 30, 2023 consist of the following:

Federal Home Loan Bonds and Pools	\$	1,239,681
United States Treasury Bonds and Notes		2,977,124
Mortgage Pools		227,595
Proprietary insured by US Government		1,852,200
Bond Mutual Funds		3,541,110
Investment in AMIC		31,063
	\$	<u>9,868,773</u>

The investment policy is reviewed annually for any adjustments due to changes or developments within the investment spectrum that would provide opportunities to the City.

NOTE 4 - RECEIVABLES

Receivables at September 30, 2023 consist of the following:

Governmental activities:

Ad valorem, sales and use tax receivable	\$	11,575,121
Grants receivable		922,697
Other receivables		119,915
Lease receivables		481,553
Total governmental activities receivables	\$	<u>13,099,286</u>

Business-type activities:

Due from other governments	\$	159,508
Grant receivables		36,000
Other receivables		1,816
Lease receivable		370,064
Total business-type activities receivables	\$	<u>567,388</u>

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 5 –DUE FROM INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF DAPHNE

The City entered into an agreement with the Industrial Development Board of the City of Daphne (IDB) in fiscal year 2018 in which the City agreed to loan the IDB \$1,200,000. The loan is interest free and the IDB is not obligated to make any repayments to the City for a three year period from the date of the initial disbursement (June 19, 2018). Upon expiration of the three-year forbearance period, the IDB shall make monthly payments to the City equaling fifty percent (50%) of the net revenue received during the previous month by the IDB from the sale of any property located on the Daphne Innovation and Science Complex (DISC) project. Additionally, following the expiration of the three-year forbearance period, fifty percent (50%) of all increased ad valorem revenues generated by the DISC properties and received by the City shall be credited against the loan balance, with such amounts to be calculated by the City Finance Director. The outstanding balance of the receivable at September 30, 2023 is \$845,000.

NOTE 6 –INVENTORIES

Inventory valuation at September 30, 2023 consisted of the following:

Mechanical Shop parts and supplies	\$	412,148
Vehicle fuel		35,431
	\$	447,579

NOTE 7 –CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for governmental activities for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2023
Capital assets not being depreciated:					
Land	\$ 14,872,464	\$ 2,895,000	\$ -	\$ -	\$ 17,767,464
Construction in progress	3,340,076	15,721,811	(12,033,601)	-	7,028,286
Total capital assets not being depreciated	18,212,540	18,616,811	(12,033,601)	-	24,795,750

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 7 –CAPITAL ASSETS (Continued)

	Balance 10/1/2022	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2023
Capital assets being depreciated:					
Buildings	33,972,207	3,357,841	1,693,407	(139,965)	38,883,490
Other improvements	28,269,906	109,221	5,099,045	(155,290)	33,322,882
Machinery and equipment	18,214,174	1,935,422	117,101	(526,153)	19,740,544
Infrastructure	194,154,245	6,702,373	5,124,048	(170,074)	205,810,592
Total capital assets being depreciated	274,610,532	12,104,857	12,033,601	(991,482)	297,757,508
Less: accumulated depreciation					
Buildings	(12,238,110)	(933,635)	-	85,615	(13,086,130)
Other improvements	(8,498,440)	(1,393,823)	-	152,887	(9,739,376)
Machinery and equipment	(12,889,011)	(1,525,748)	-	526,153	(13,888,606)
Infrastructure	(113,176,185)	(5,423,962)	-	170,073	(118,430,074)
Total accumulated depreciation	(146,801,746)	(9,277,168)	-	934,728	(155,144,186)
Total capital assets being depreciated, net	127,808,786	2,827,689	12,033,601	(56,754)	142,613,322
Leased machinery and equipment	156,233	487,497	-	(156,233)	487,497
Less: accumulated amortization	(122,567)	(94,604)	-	156,233	(60,938)
Net intangible right-to-use-assets	33,666	392,893	-	-	426,559
Governmental activities capital assets, net	\$ 146,054,992	\$ 21,837,393	\$ -	\$ (56,754)	\$167,835,631

Depreciation was charged to governmental functions as follows:

General government	\$ 289,243
Public safety	1,047,311
Public works	500,945
Culture and recreation	2,015,707
Infrastructure	5,423,962
	<u>\$ 9,277,168</u>

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

Business-type Activities

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2023
Capital assets not being depreciated:					
Construction in progress	\$ 3,391	\$ 3,530	\$ (3,391)	\$ -	\$ 3,530
Total capital assets not being depreciated	3,391	3,530	(3,391)	-	3,530
Capital assets being depreciated:					
Buildings	243,805	-	-	-	243,805
Machinery and equipment	3,184,627	693,774	3,391	(241,479)	3,640,313
Infrastructure	135,102	-	-	-	135,102
Total capital assets being depreciated	3,563,534	693,774	3,391	(241,479)	4,019,220
Less: accumulated depreciation					
Buildings	(164,605)	(13,875)	-	-	(178,480)
Machinery and equipment	(1,935,973)	(479,227)	-	241,479	(2,173,721)
Infrastructure	(135,102)	-	-	-	(135,102)
Total accumulated depreciation	(2,235,680)	(493,102)	-	241,479	(2,487,303)
Total capital assets being depreciated, net	1,327,854	200,672	3,391	-	1,531,917
Business-type activities capital assets, net	\$ 1,331,245	\$ 204,202	\$ -	\$ -	\$ 1,535,447

Depreciation was charged in the amount of \$470,858 to the Solid Waste Fund and \$22,244 to the Civic Center Fund.

NOTE 8 – INTANGIBLE RIGHT-TO-USE ASSETS

In FY 2022, the City implemented the guidance in GASB Statement 87, *Leases*, and recognized the value of several pieces of equipment leased under long-term contracts. During fiscal year 2023, the City had four lease agreements expire and five additional lease agreements entered into for pieces of equipment. Details of the leasing arrangements are as follows:

In February 2019, the City leased a fairway mower to be used by the Recreation Department for a period of five years. The intangible right-to-use asset is being amortized over five years, the term of the current lease. The lease expired in FY 2023 and was not renewed.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 8 – INTANGIBLE RIGHT-TO-USE ASSETS (Continued)

In June 2019, the City leased a 420F2IT Backhoe Loader to be used by the Streets Department for a period of four years. The intangible right-to-use asset is being amortized over four years, the term of the current lease. The lease expired in FY 2023 and was not renewed.

In April 2020, the City leased a 333G Compact Loader to be used by the Grounds Department for a period of three years. The intangible right-to-use asset is being amortized over three years, the term of the current lease. The lease expired in FY 2023 and was not renewed.

In May 2020, the City leased a 332G Skid Steer to be used by the Streets Department for a period of three years. The intangible right-to-use asset is being amortized over three years, the term of the current lease. The lease expired in FY 2023 and was not renewed.

A summary of the lease agreements entered into in FY 2023 are as follows:

Year of Lease Inception	Asset	Department	Initial Amount	Term of Lease
2023	Turf Tank One Robot	Recreation	\$ 80,835	6 years
2023	Caterpillar 305 Excavator	Grounds	\$ 66,292	5 years
2023	John Deere 650K Crawler Dozier	Streets	\$ 140,236	5 years
2023	John Deere 75G Excavator	Streets	\$ 87,011	4 years
2023	John Deere 524P Loader	Streets	\$ 113,124	4 years

Terms of the aforementioned leases are described in Note 12.

NOTE 9 – INTERFUND TRANSFERS

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as transfers in (out) in the proprietary funds.

Following is a summary of interfund transfers for the year ended September 30, 2023:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 11,039,717
Capital Reserve Fund	3,530,020	-
Debt Service Fund	3,363,538	-
Non major special revenue funds	3,837,936	700,000
Solid Waste Enterprise Fund	608,025	-
Civic Center Enterprise Fund	400,198	-
Totals	<u>\$ 11,739,717</u>	<u>\$ 11,739,717</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 9 – INTERFUND TRANSFERS (Continued)

A summary of General Fund transfers out are as follows:

- 1) Capital Reserve Fund – Transfers from the General Fund were made in the amount of \$3,530,020 to fund various capital projects during the year, including \$1,075,000 for artificial turf fields at the Daphne Sports Complex and \$990,000 for road resurfacing projects.
- 2) Debt Service Fund – Monthly transfers were made totaling \$2,663,538 to fund the current year debt service requirements.
- 3) Enterprise funds – Monthly transfers were made from the General Fund totaling \$608,025 and \$400,198, respectively, to cover the net operating loss for the Solid Waste Fund and the Civic Center Fund.
- 4) Animal Shelter Fund – Transfers in the amount of \$3,752,886 were made from the General Fund to assist in the funding of the construction of a new Animal Shelter.
- 5) Mobile Infirmary Building Fund – A one-time transfer was made from the General Fund in the amount of \$85,050 to assist with renovations to relocate the Recreation department to this newly purchased building.

The non-major special revenue fund transfers out consisted of monthly transfers totaling \$700,000 from the Lodging Tax Fund to the Debt Service Fund to cover its portion of the debt service requirements.

NOTE 10 – LEASES

As of September 30, 2023, the City of Daphne has several lease obligations through multiple banks for various vehicles and equipment. Total minimum lease payments are as follows:

	Governmental Activities	Business-Type Activities	Total
2024	\$ 274,996	\$ 360,312	\$ 635,308
2025	174,775	262,737	437,512
2026	158,056	165,161	323,217
2027	125,513	40,891	166,404
Total minimum lease payments	733,340	829,101	1,562,441
Less amount representing interest	(21,623)	(28,684)	(50,307)
Present value of minimum lease payments	\$ 711,717	\$ 800,417	\$ 1,512,134

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 10 – LEASES (Continued)

The assets acquired through outstanding leases are shown below.

	Governmental Activities	Business-Type Activities
Equipment	\$ 1,696,913	\$ 1,768,942
Less: accumulated depreciation	(710,672)	(969,204)
	\$ 986,241	\$ 799,738

Depreciation expense for the year ended September 30, 2023 for assets under leases was \$212,236 for governmental activities and \$353,788 for business-type activities.

NOTE 11 – LONG TERM DEBT

The following is a description of general and limited obligation bonds/warrants at September 30, 2023:

\$8,600,000 General Obligation Refunding and Improvement Warrants, series 2016, dated July 28, 2016, with interest rates ranging from .65% to 2.17% payable semi-annually along with variable annual principal payments. Final maturity is April 1, 2029. (Refunded 2006 GO Refunding and Capital Improvements Warrants; new money of \$845,200 for recreation parks project)	\$ 2,220,000
\$9,515,000 General Obligation Refunding and Improvement Warrants, series 2019, dated May 29, 2019, with interest rates ranging from 3.0% to 4.0% payable semi-annually along with variable annual principal payments. Final maturity is February 1, 2036. (Partially refunded 2012 GO Refunding and Capital Improvements Warrants; new money of \$916,000 for new fire station construction)	8,350,000
\$7,295,000 General Obligation Refunding Warrants, series 2020-A, dated October 28, 2020, with interest rates ranging from 1.05% to 1.84% payable semi-annually along with variable annual principal payments. Final maturity is July 1, 2038. (Partially paid 2017 General Obligation Warrant)	7,295,000
\$3,600,000 General Obligation Refunding Warrants, series 2020-B (Federally Taxable), dated October 28, 2020, with interest rates ranging from 0.54% to 1.46% payable semi-annually along with variable annual principal payments. Final maturity is July 1, 2027. (Partially paid 2017 General Obligation Warrant)	2,240,000

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 11 – LONG TERM DEBT (Continued)

\$6,320,000 General Obligation Warrant, series 2021, dated August 5, 2021, with an interest rate of 1.39% payable semi-annually along with variable annual principal payments. Final maturity is April 1, 2028. (Fully paid off the 2014 General Obligation Refunding and Improvement Warrants)

	4,545,442
Total bonds and warrants payable	\$ 24,650,442

The annual requirements to amortize warrants and notes payable, including interest, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	\$ 2,331,540	\$ 685,913	\$ 3,017,453
2025	2,377,770	634,626	3,012,396
2026	2,424,045	578,795	3,002,840
2027	2,475,363	519,958	2,995,321
2028	2,521,724	458,512	2,980,236
2029-2033	6,965,000	1,440,900	8,405,900
2034-2038	5,555,000	420,225	5,975,225
	\$ 24,650,442	\$ 4,738,929	\$ 29,389,371

Repayment of principal and interest maturities is principally made from sales taxes. In addition, for governmental activities, compensated absences and pension obligations are generally liquidated by the General Fund.

The following is a summary of the changes in non-current liabilities reported in Statement of Net Position for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
Governmental Activities:					
Bonds and warrants payable	\$ 26,950,794	\$ -	\$ (2,300,352)	\$ 24,650,442	\$ 2,331,540
Plus: Bond premiums	1,850,771	-	(149,169)	1,701,602	-
Bonds and warrants payable, net	28,801,565	-	(2,449,521)	26,352,044	2,331,540
Obligations under lease	1,047,606	-	(335,889)	711,717	264,077
Compensated absences	408,659	739,357	(719,811)	428,205	256,923
Intangible right-to-use lease liability	36,919	487,597	(125,263)	399,253	95,772
Net pension liability	3,222,416	8,153,596	-	11,376,012	-
Other post-employment benefits	4,449,224	1,117,842	-	5,567,066	-
Total governmental activities	\$ 37,966,389	\$ 10,498,392	\$ (3,630,484)	\$ 44,834,297	\$ 2,948,312

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 11 – LONG TERM DEBT (Continued)

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
<u>Business-type Activities:</u>					
Obligations under lease	\$ 1,161,792	\$ -	\$ (361,375)	\$ 800,417	\$ 344,414
Compensated absences	24,022	36,648	(38,281)	22,389	13,434
Net pension liability	297,775	513,067	-	810,842	-
Other post-employment benefits	325,690	67,410	-	393,100	-
Total business-type activities	<u>\$ 1,809,279</u>	<u>\$ 617,125</u>	<u>\$ (399,656)</u>	<u>\$ 2,026,748</u>	<u>\$ 357,848</u>

NOTE 12 – INTANGIBLE RIGHT-TO-USE LEASE LIABILITY

In FY 2022, the City implemented the guidance in GASB Statement 87, *Leases*, for accounting and reporting leases that had been previously reported as operating leases. During fiscal year 2023, the City had four lease agreements expire and five additional lease agreements entered into for pieces of equipment. Details of the leasing arrangements are as follows:

The City leased a fairway mower from DLL Financial Solutions for a term of 60 months. The lease requires an annual payment of \$11,621, plus additional charges for excess usage and excluding applicable taxes. The lease expired in FY 2023 and was not renewed.

The City leased a 420F2IT Backhoe Loader from CAT Financial for a term of 48 months. The lease requires quarterly payments of \$4,401, plus additional charges for excess usage and excluding applicable taxes. The lease expired in FY 2023 and was not renewed.

The City leased a 333G Compact Loader from John Deere Financial for a term of 36 months. The lease requires an annual payment of \$7,621, plus additional charges for excess usage and excluding applicable taxes. The lease expired in FY 2023 and was not renewed.

The City leased a 332G Skid Steer from John Deere Financial for a term of 36 months. The lease requires an annual payment of \$5,694, plus additional charges for excess usage and excluding applicable taxes. The lease expired in FY 2023 and was not renewed.

For purposes of discounting future payments on the aforementioned leases, the City used the interest rate 4% (lessee's incremental borrowing rate) on its financing agreements to determine an appropriate discount rate.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 12 – INTANGIBLE RIGHT-TO-USE LEASE LIABILITY (Continued)

A summary of the lease agreements entered into in FY 2023 are as follows:

Year of Lease Inception	Asset	Financing Company	Annual Payment	Interest Rate	Term of Lease
2023	Turf Tank One Robot	Turf Tank	\$ 14,999	4.5%	6 years
2023	Caterpillar 305 Excavator	CAT Financial	\$ 15,444	8.26%	5 years
2023	John Deere 650K Crawler Dozier	John Deere Financial	\$ 32,906	8.69%	5 years
2023	John Deere 75G Excavator	John Deere Financial	\$ 24,895	9.80%	4 years
2023	John Deere 524P Loader	John Deere Financial	\$ 32,860	9.11%	4 years

The lease equipment and accumulated amortization of the right-to-use assets are outlined in Note 8.

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

Fiscal Year Ending September 30	Principal	Interest	Total
2024	\$ 95,772	\$ 25,332	\$ 121,104
2025	96,280	24,824	121,104
2026	104,454	16,650	121,104
2027	88,395	7,814	96,209
2028	14,352	648	15,000
	<u>\$ 399,253</u>	<u>\$ 75,268</u>	<u>\$ 474,521</u>

NOTE 13 – DEFEASANCE OF PRIOR DEBT

The City has defeased certain outstanding warrants by placing the new warrants in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in the City's financial statements. At September 30, 2023, there was no debt considered defeased.

NOTE 14 – DEBT LIMITATION

The Constitution of Alabama provides that cities having a population of six thousand or more may not become indebted in an amount in excess of 20% of the assessed valuation of the property situated therein. The Constitution exempts from this debt limitation several categories of indebtedness, including temporary loans of less than one year; bonds or other obligations issued for the purpose of acquiring, providing or constructing schoolhouses, waterworks and sewers; and obligations incurred and bonds issued for street or sidewalk improvements where the cost of the same is to be assessed against the property abutting said improvements.

The City has outstanding debt obligations issued for sewer projects that are exempt from the debt limitation. The total outstanding is \$616,272.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 14 – DEBT LIMITATION (Continued)

The City of Daphne’s total indebtedness at September 30, 2023 was \$25,362,159. Of this total, \$24,034,170 is chargeable to the constitutional debt limit. This chargeable debt is equal to 3.67% of the total assessed value of real and personal property located within the City. This leaves an \$114,156,051 margin available for future borrowings. Based on the City of Daphne’s 2020 census, the per capita debt is \$855.

NOTE 15 – FUND BALANCES

A schedule of City fund balances at September 30, 2023 is provided below:

	General Fund	Capital Reserve Fund	Non Major Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ 447,579	\$ -	\$ -	\$ 447,579
Prepaid items	562,620	-	-	562,620
Subtotal	<u>1,010,199</u>	<u>-</u>	<u>-</u>	<u>1,010,199</u>
Restricted for:				
Debt service	-	-	495,199	495,199
Streets and drainage	-	-	721,010	721,010
Law enforcement	-	-	287,308	287,308
Court and corrections	-	-	416,863	416,863
Other projects	-	-	47,923	47,923
Subtotal	<u>-</u>	<u>-</u>	<u>1,968,303</u>	<u>1,968,303</u>
Committed to:				
Bayfront improvements	-	-	2,232,752	2,232,752
Recreation projects	-	-	477,982	477,982
Olde Towne improvements	-	-	178,927	178,927
Animal shelter	-	-	2,789,944	2,789,944
Landscaping	-	-	22,660	22,660
Subtotal	<u>-</u>	<u>-</u>	<u>5,702,265</u>	<u>5,702,265</u>
Assigned to:				
Library	-	-	44,251	44,251
Capital projects	-	4,412,551	-	4,412,551
Various purposes	210,700	-	-	210,700
Subtotal	<u>210,700</u>	<u>4,412,551</u>	<u>44,251</u>	<u>4,667,502</u>
Unassigned:				
	<u>26,427,718</u>	<u>-</u>	<u>-</u>	<u>26,427,718</u>
Total fund balances	<u>\$ 27,648,617</u>	<u>\$ 4,412,551</u>	<u>\$ 7,714,819</u>	<u>\$ 39,775,987</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Employees' Retirement System of Alabama (ERS). The ERS, an agency multiple-employer plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control, which consists of 15 trustees. 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 vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - d. One vested employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

Benefits Provided

State law establishes retirement benefits, as well as death and disability benefits and any ad hoc increase in post-retirement benefits, for the ERS. Benefits for ERS members vest after 10 years of creditable service. 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.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State police service in computing the formula method.

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

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 608 employers, including the City of Daphne, adopted Act 2019-132.

The ERS serves approximately 886 local participating employers and approximately 108,890 participants. As of September 30, 2022 (the measurement date), the City of Daphne membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	91
Vested inactive members	11
Non-vested inactive members	64
Active members	<u>303</u>
Total	<u><u>469</u></u>

Contributions

Tier 1 covered members of the ERS contributed 5% of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 6% of earnable compensation. Tier 2 covered members contribute 7.5% of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 8.5% of earnable compensation (after enactment of Act 201-132).

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

The ERS establishes employer 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, 2023, the City's covered payroll was \$16,656,529. The City's active employee contribution rate was Tier 1 Regular 5%, Tier 1 FLC 6%, Tier 2 Regular 7.5%, and Tier 2 FLC 8.5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 6.31% of covered payroll.

The City's contractually required contribution rate for the year ended September 30, 2023 was 7.69% of pensionable pay for Tier 1 employees, and 5.81% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2020, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan (including fees) from the City were \$1,116,560 for the year ended September 30, 2023.

Net Pension Liability

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

	Expected	Actual Before Plan Changes	Actual After Plan Changes
(a) TPL as of September 30, 2021	\$ 45,259,082	\$ 45,736,412	\$ 45,766,343
(b) Discount rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2021 - September 30, 2022	1,513,036	1,513,036	1,514,244
(d) Transfers among Employers	-	171,327	171,327
(e) Actual Benefit Payments and Refunds for the period October 1, 2021 - September 30, 2022	(2,003,619)	(2,003,619)	(2,003,619)
(f) TPL as of September 30, 2022 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5(b))]]	\$ 48,065,666	\$ 48,749,884	\$ 48,783,252
(g) Difference between Expected and Actual		\$ 684,218	
(h) Less Liability Transferred for Immediate Recognition		171,327	
(i) Difference between Expected and Actual - Experience (Gain)/Loss		\$ 512,891	
(j) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			\$ 33,368

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

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

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

Mortality rates were based on 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 September 30, 2021 valuations 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, as provided by RSA, are summarized in the following table:

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	15.0%	2.8%
US Large Stocks	32.0%	8.0%
US Mid Stocks	9.0%	10.0%
US Small Stocks	4.0%	11.0%
Int'l Developed Mkt Stocks	12.0%	9.5%
Int'l Emerging Mkt Stocks	3.0%	11.0%
Alternatives	10.0%	9.0%
Real Estate	10.0%	6.5%
Cash Equivalents	5.0%	1.5%
Total	100.0%	

* 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 rates currently in effect and that 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2022. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2022. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2021	\$ 45,259,082	\$ 41,738,891	\$ 3,520,191
Changes for the year:			
Service Cost	1,513,036	-	1,513,036
Interest	3,297,167	-	3,297,167
Changes of benefit terms	33,368	-	33,368
Changes of assumptions	-	-	-
Difference between expected and actual experience	512,891	-	512,891
Contributions - employer	-	1,001,870	(1,001,870)
Contributions - employee	-	1,039,240	(1,039,240)
Net investment income	-	(5,351,311)	5,351,311
Benefit payments, including refunds or employee contributions	(2,003,619)	(2,003,619)	-
Administrative expense	-	-	-
Transfers among employers	171,327	171,327	-
Net changes	<u>3,524,170</u>	<u>(5,142,493)</u>	<u>8,666,663</u>
Balances at September 30, 2022	<u>\$ 48,783,252</u>	<u>\$ 36,596,398</u>	<u>\$ 12,186,854</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	\$ 18,627,750	\$ 12,186,854	\$ 6,832,143

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 16 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended September 30, 2023 the City recognized pension expense of \$1,116,560. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,305,258	\$ 224,156
Change of assumptions	1,629,425	-
Net difference between projected and actual earnings on plan investments	4,385,560	-
Employer contributions subsequent to the measurement date*	1,050,648	-
	\$ 8,370,891	\$ 224,156

*Employer contributions subsequent to the measurement date (\$1,050,648) reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September	
2024	\$ 1,817,009
2025	1,319,914
2026	1,261,930
2027	2,219,432
2028	410,903
Thereafter	66,899
	\$ 7,096,087

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 17– OTHER POST-EMPLOYMENT BENEFITS

General Information about the Other Post-Employment Benefits (OPEB) Plan

Plan Description and Administration

The City of Daphne administers the City of Daphne Retiree Benefits Plan (the Plan) - a single-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB) for all permanent full-time employees of the City. The Plan was established in January 2021.

Management of the Plan

The City appointed Regions Bank to serve as the Trustee for the Plan in which Regions Bank shall hold, manage, invest and reinvest the Trust, collect the income thereof, and make payments therefrom.

Plan Membership

At September 30, 2023, the Plan’s membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments (retirees)	27
Inactive employees entitled to but not yet receiving benefits	-
Active employees (employees)	<u>301</u>
Total	<u><u>328</u></u>

Benefits Provided

The City’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. This valuation combines medical and dental benefits for cost and liability purposes. In order to receive OPEB benefits, employees must retire under the provisions of the RSA pension plan discussed in Note 16. Additionally, the retirees are eligible to participate in the plan if they are less than 65 years of age with a minimum of twenty-five (25) years of creditable service with the City. The dependent(s) of retirees are only eligible for coverage under the health care plan, provided they are covered under the City’s health care plan at least six months prior to the effective date of retirement.

The City pays retiree health care premiums at the same rate as it does for active employees, i.e., any portion of the monthly premium that is passed on to other employees as a payroll deduction is also paid to the City by the retirees. The City’s cost for retiree dependent coverage will not exceed the premium rate charged to the City for individual coverage. Retirees must pay this difference between the individual and family coverage.

The plan was amended in fiscal year 2018 for employees hired after January 31, 2018. For these employees, retiree coverage will cease three years from the date of retirement, or when the employee reaches age 65, whichever occurs first. Additionally, dependent coverage is conditioned on retiree’s participation in the plan. All other benefits and conditions remained unchanged.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The employer pays for 100% of the retiree life insurance coverage of \$5,000 until age 65 but it is based on the blended active and retired rate.

Contributions

The City has the authority to establish and amend the contribution requirements for the City and its plan members. Plan members are not required to contribute to their other post-employment benefit costs.

Investments

Investment Policy

The City's management meets with the Trust's investment advisor on a periodic basis to review the asset allocation and make any changes deemed necessary. The following was the asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation
Fixed Income	72%
Equity	25%
Money Market/CD	3%

Concentrations

The Trust has over 5% investment in the following funds: Fidelity Investment Grade Bond Fund, 24.50%; Baird Aggregate Bond Fund, 24.47%; PGIM High Yield Fund, 7.23%; JP Morgan Core Plus Bond Fund, 10.43%; and Vanguard 500 Index Fund, 6.09%. Actual asset allocation is as follows:

Asset Class	Actual Asset Allocation
Fixed Income	73%
Equity	23%
Money Market/CD	4%

Rate of Return

For the year ended September 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 5.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The components of the net OPEB liability of the City as of September 30, 2023 were as follows:

Total OPEB liability	\$ 7,139,237
Plan fiduciary net position	1,179,071
City's net OPEB liability	<u>\$ 5,960,166</u>
Plan fiduciary net position as a percentage of the total OPEB liability	16.52%

The City's net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	5.5% annually (Beginning of year to determine Actuarially Determined Contribution) 5.5% annually (As of end of year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality	Pub-2010

The actuarial assumptions used in the September 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2008 to September 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of September 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.0%
Corporate Bonds	5.0%
Agency Bonds	3.5%
Cash	1.0%

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Discount rate. Although this plan is a defined benefit OPEB plan that meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is only 1.1% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. The investment return assumption is determined in accordance with paragraph 155 of GASB 75. We have therefore used discount rates of 5.5%, which is the value of the 20 Bond General obligation municipal bond index as of September 30, 2023, the measurement date at the end of the applicable measurement period. The discount rate used as of September 30, 2022, the measurement date at the end of the immediately preceding measurement period, was 5.5%.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2022	\$ 5,655,524	\$ 880,610	\$ 4,774,914
Changes for the year:			
Service cost	168,593	-	168,593
Interest cost at 5.5%	314,128	-	314,128
Changes of benefit terms	11,359	-	11,359
Difference between expected and actual experience	1,914,611	-	1,914,611
Employer contributions - Trust	-	250,000	(250,000)
Net investment income	-	54,156	(54,156)
Changes of assumptions	(739,478)	-	(739,478)
Benefit payments			
a. From Trust	-	-	-
b. Direct	(185,500)	-	(185,500)
Administrative expense	-	-	-
a. From Trust	-	(5,695)	5,695
b. Direct	-	-	-
Net changes	1,483,713	298,461	1,185,252
Balances at September 30, 2023	\$ 7,139,237	\$ 1,179,071	\$ 5,960,166

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current discount rate:

	1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
Net OPEB Liability	\$ 6,624,478	\$ 5,960,166	\$ 5,361,994

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

	1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
Net OPEB Liability	\$ 5,258,499	\$ 5,960,166	\$ 6,777,945

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is included on the Statement of Fiduciary Net Position on page 51 in this report. The plan does not issue a stand-alone financial report.

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

For the year ended September 30, 2023, the City recognized OPEB expense in the amount of \$490,163. At September 30, 2023, the City reported deferred outflows or 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	\$ 2,250,721	\$ (513,449)
Net difference between projected and actual earnings on OPEB plan investments	130,400	-
Changes in assumptions	540,993	(1,351,256)
	\$ 2,922,114	\$ (1,864,705)

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Year Ended September	
2024	\$ 45,452
2025	49,558
2026	238,055
2027	192,190
2028	247,844
Thereafter	284,310
	\$ 1,057,409

Payable to the OPEB Plan

At September 30, 2023, the City did not have any outstanding amount of contributions to the OPEB plan as required for the year ended September 30, 2023.

NOTE 18 – DEFERRED COMPENSATION PLANS

The City offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. Three of the plans are administered by a nongovernmental third party, and the other by the Retirement Systems of Alabama. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property and rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the City’s general creditors.

NOTE 19 – CONSTRUCTION COMMITMENTS

The City had various capital improvement projects in progress at September 30, 2023. The projected outstanding commitments related to these projects is estimated by management to be \$7,117,000. The capital improvements in progress include the Bayfront Drive Streetscape project, construction of a new Animal Shelter, and engineering design contracts for Olde Towne Daphne Improvements and an Amphitheatre on Bayfront Drive.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 20 – NON-MONETARY TRANSACTIONS

During the current fiscal year, non-monetary transactions totaled \$6,088,025. This is composed of land, street and drainage acceptances in Jubilee Farms subdivision, Phase 13; French Settlement Subdivision, Phase 4B; and The Reserve at Daphne, Phase II.

NOTE 21 – ENCUMBRANCE COMMITMENTS

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

At September 30, 2023, the City had encumbrance commitments in the General Fund in the amount of \$210,700. No other governmental funds had outstanding encumbrance commitments at year-end.

NOTE 22 – CONCENTRATION – REVENUE SOURCE

The City receives approximately 7.5% of its annual sales, use, and luxury taxes from one business within the City of Daphne; the top ten businesses account for 35.92% of the total of such collections.

NOTE 23 - LITIGATION

Legal counsel is currently representing the City of Daphne in various legal proceedings arising principally in the normal course of operations of a city government. In the opinion of the City governmental officials and its legal counsel, the outcome of these legal proceedings is not likely to have a material adverse effect on the accompanying financial statements and accordingly, no additional provision for these losses has been recorded.

NOTE 24 – CITY OF DAPHNE UTILITIES BOARD – RELATED PARTY

As described in Note 1 of this report, the City Council appoints the board members of the Utilities Board of the City of Daphne and the Utilities Board is considered a related organization as defined by GASB Codification Section 2100.522.

The Utilities Board provides services to the City of Daphne in its handling of the billing and collection of garbage fees. The Utilities Board remits to the City on a monthly cycle all funds collected for the previous month's garbage billings. The result of this billing and remittance cycle creates an ongoing balance due the City from the Utilities Board. The total due from the Utilities Board at September 30, 2023 was \$159,508.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 25 – PROPERTY TAXES

In accordance with GASB 33, the City records property taxes receivable as of September 30 each year. The City assesses and levies property taxes each October 1 and begins collecting the following year. (i.e., the City assessed property taxes on October 1, 2022 and the County began collecting and remitting the taxes to the City in October 2023.)

Fund Financial Statements:

The City recognizes the taxes collected by the County tax assessor within the first 60 days after September 30, 2023 as revenue. Such revenue totals \$883,720. Deferred revenue in the amount of \$7,940,013 is recognized and is reflective of the anticipated upcoming fiscal year collections for the October 1, 2023 (Fiscal 2023) levy.

Government-Wide Financial Statements:

The City recognizes total estimated property tax collections in the amount of \$8,823,732 for the October 1, 2022 tax assessment that is collected starting in October of 2023 (Fiscal 2024).

NOTE 26 – FEDERAL AND STATE GRANTS

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement (there is none expected), which may arise as the result of these audits, is not believed to be material.

NOTE 27 – RISK MANAGEMENT

The City is self-Insured for dental insurance only. The City's insurance carrier, Blue Cross/Blue Shield (BCBS), manages the claims and the City remits weekly payments to BCBS to cover the claims and administrative fees. All other risk management services are assumed by private insurance companies. BCBS insures the City for medical insurance under a retrospectively rated plan and the City remits premiums to them on a monthly basis.

Liability Insurance coverage is detailed below:

Alabama Municipal Insurance Corporation:

General Liability (*No aggregate)

Public Officials Liability

Law Enforcement Liability (*No aggregate)

Workers Compensation

The City is insured on these policies at the limits of \$1,000,000 per occurrence and \$1,000,000 aggregate unless otherwise noted above.

Employers Mutual Companies:

Equipment (Limit \$6,403,464)

Property (Limit \$96,448,235)

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023

NOTE 28 – FAIR VALUE DISCLOSURES

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

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

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

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasuries	\$ 2,977,124	\$ 2,977,124	\$ -	\$ -
Federal Home Loan Bonds and Notes	1,239,681	-	1,239,681	-
Mortgage pools	227,595	-	227,595	-
Bond mutual funds	3,541,110	-	3,541,110	-
Proprietary insured by US Government	1,852,200	-	1,852,200	-
Investment in AMIC	31,063	-	-	31,063
	<u>\$ 9,868,773</u>	<u>\$ 2,977,124</u>	<u>\$ 6,860,586</u>	<u>\$ 31,063</u>

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

NOTE 29 – PRIOR PERIOD ADJUSTMENT

In fiscal year 2023, the City reclassified the Self-Insurance Fund from an agency fund to be included as activities of the General Fund as it no longer met the criteria to be reported as fiduciary activities. As a result, beginning net position on the government-wide statements and beginning fund balance on the General Fund was restated to reflect an increase in the amount of \$232,281 to record beginning cash.

NOTE 30 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through March 1, 2024, the date on which the financial statements were available to be issued, and determined that no subsequent events have occurred which require adjustment or disclosure in this report.

Required Supplementary Information

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
Revenues				
Sales, use, and luxury taxes	\$ 25,698,000	\$ 25,698,000	\$ 28,189,401	\$ 2,491,401
Payments in lieu of taxes	2,665,000	2,665,000	3,039,655	374,655
Ad valorem taxes	8,134,000	8,134,000	8,395,612	261,612
Licenses and permits	3,710,600	3,710,600	4,465,309	754,709
Intergovernmental	413,662	435,678	681,912	246,234
Charges for services	763,075	813,075	1,099,066	285,991
Fines and forfeitures	316,500	316,500	367,178	50,678
Interest and investment earnings	76,000	76,000	382,500	306,500
Grants and contributions	276,205	4,509,578	4,515,654	6,076
Miscellaneous	84,000	665,000	922,597	257,597
Total revenues	\$ 42,137,042	\$ 47,023,431	\$ 52,058,884	\$ 5,035,453
Expenditures				
<i>GENERAL GOVERNMENT</i>				
Legislative				
Personnel	\$ 270,358	\$ 275,102	\$ 274,279	\$ (823)
Operating	166,800	166,773	155,472	(11,301)
	437,158	441,875	429,751	(12,124)
Executive				
Personnel	613,560	441,888	365,689	(76,199)
Operating	40,700	40,375	16,726	(23,649)
	654,260	482,263	382,415	(99,848)
Community Events				
Personnel	184,794	188,239	184,863	(3,376)
Operating	531,150	544,950	447,812	(97,138)
Capital	-	15,495	15,495	-
	715,944	748,684	648,170	(100,514)
Information Tech Support				
Personnel	267,171	274,862	270,135	(4,727)
Operating	74,700	52,547	51,927	(620)
Capital	-	31,301	31,275	(26)
	341,871	358,710	353,337	(5,347)
Human Resources				
Personnel	386,450	398,497	376,274	(22,223)
Operating	355,700	361,070	329,994	(31,076)
	742,150	759,567	706,268	(53,299)

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
Finance				
Personnel	614,514	631,074	590,570	(40,504)
Operating	188,250	182,676	159,815	(22,861)
	<u>802,764</u>	<u>813,750</u>	<u>750,385</u>	<u>(63,365)</u>
Revenue				
Personnel	165,006	169,056	164,470	(4,586)
Operating	30,300	31,810	22,209	(9,601)
	<u>195,306</u>	<u>200,866</u>	<u>186,679</u>	<u>(14,187)</u>
Municipal Court				
Personnel	245,018	252,156	222,447	(29,709)
Operating	111,500	110,500	107,106	(3,394)
	<u>356,518</u>	<u>362,656</u>	<u>329,553</u>	<u>(33,103)</u>
Legal/Risk Management				
Operating- Legal	389,361	405,861	318,821	(87,040)
Operating- Risk Management	654,900	604,900	807,319	202,419
Capital	-	6,010,000	6,000,816	(9,184)
	<u>1,044,261</u>	<u>7,020,761</u>	<u>7,126,956</u>	<u>106,195</u>
Planning/Zoning				
Personnel	407,259	431,303	358,253	(73,050)
Operating	77,400	75,900	64,972	(10,928)
	<u>484,659</u>	<u>507,203</u>	<u>423,225</u>	<u>(83,978)</u>
Building Maintenance				
Personnel	428,333	441,992	322,187	(119,805)
Operating	143,450	59,317	53,872	(5,445)
	<u>571,783</u>	<u>501,309</u>	<u>376,059</u>	<u>(125,250)</u>
City Hall Facilities Support				
Operating	323,900	343,488	321,587	(21,901)
Capital	-	211,000	211,000	-
	<u>323,900</u>	<u>554,488</u>	<u>532,587</u>	<u>(21,901)</u>
Janitorial				
Personnel	91,383	92,993	71,792	(21,201)
Operating	13,500	28,048	26,240	(1,808)
	<u>104,883</u>	<u>121,041</u>	<u>98,032</u>	<u>(23,009)</u>
TOTAL GENERAL GOVERNMENT				
Personnel	3,673,846	3,597,162	3,200,959	(396,203)
Operating	3,101,611	3,008,215	2,883,872	(124,343)
Capital	-	6,267,796	6,258,586	(9,210)
	<u>6,775,457</u>	<u>12,873,173</u>	<u>12,343,417</u>	<u>(529,756)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
<i>PUBLIC SAFETY</i>				
Police Administration				
Personnel	496,786	510,336	501,907	(8,429)
Operating	358,980	455,766	452,209	(3,557)
Capital	79,200	355	-	(355)
	<u>934,966</u>	<u>966,457</u>	<u>954,116</u>	<u>(12,341)</u>
SWAT (Sp Weapons & Tactical Eqpt)				
Operating	15,850	17,804	16,989	(815)
	<u>15,850</u>	<u>17,804</u>	<u>16,989</u>	<u>(815)</u>
Traffic Homicide Investigation				
Operating	23,000	24,600	24,087	(513)
	<u>23,000</u>	<u>24,600</u>	<u>24,087</u>	<u>(513)</u>
Patrol				
Personnel	3,000,097	3,148,462	2,890,491	(257,971)
Operating	521,175	554,251	540,340	(13,911)
Capital	66,000	67,892	67,892	-
	<u>3,587,272</u>	<u>3,770,605</u>	<u>3,498,723</u>	<u>(271,882)</u>
Detective				
Personnel	1,900,062	1,954,311	1,800,992	(153,319)
Operating	211,025	199,071	186,447	(12,624)
	<u>2,111,087</u>	<u>2,153,382</u>	<u>1,987,439</u>	<u>(165,943)</u>
Communications				
Personnel	679,366	763,276	628,158	(135,118)
Operating	38,000	38,000	29,943	(8,057)
	<u>717,366</u>	<u>801,276</u>	<u>658,101</u>	<u>(143,175)</u>
Corrections				
Personnel	860,524	892,122	936,858	44,736
Operating	98,950	100,711	89,615	(11,096)
Capital	37,038	37,038	37,038	-
	<u>996,512</u>	<u>1,029,871</u>	<u>1,063,511</u>	<u>33,640</u>
Animal Control				
Personnel	188,798	193,360	155,164	(38,196)
Operating	69,050	75,110	62,419	(12,691)
	<u>257,848</u>	<u>268,470</u>	<u>217,583</u>	<u>(50,887)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
Police Subtotal				
Personnel	7,125,633	7,461,867	6,913,570	(548,297)
Operating	1,336,030	1,465,313	1,402,049	(63,264)
Capital	182,238	105,285	104,930	(355)
	<u>8,643,901</u>	<u>9,032,465</u>	<u>8,420,549</u>	<u>(611,916)</u>
Central Communications				
Operating	10,000	10,000	1,600	(8,400)
	<u>10,000</u>	<u>10,000</u>	<u>1,600</u>	<u>(8,400)</u>
Fire				
Personnel	4,997,841	5,313,758	5,384,335	70,577
Operating	656,600	720,497	677,213	(43,284)
Capital	485,000	812,900	799,017	(13,883)
	<u>6,139,441</u>	<u>6,847,155</u>	<u>6,860,565</u>	<u>13,410</u>
Rescue				
Operating	25,450	25,139	18,405	(6,734)
	<u>25,450</u>	<u>25,139</u>	<u>18,405</u>	<u>(6,734)</u>
Building Inspections				
Personnel	382,527	395,022	382,654	(12,368)
Operating	75,300	74,451	52,351	(22,100)
	<u>457,827</u>	<u>469,473</u>	<u>435,005</u>	<u>(34,468)</u>
Code Enforcement				
Personnel	134,342	139,268	127,037	(12,231)
Operating	15,750	15,750	11,032	(4,718)
	<u>150,092</u>	<u>155,018</u>	<u>138,069</u>	<u>(16,949)</u>
Emergency Management				
Operating	13,000	13,000	11,037	(1,963)
	<u>13,000</u>	<u>13,000</u>	<u>11,037</u>	<u>(1,963)</u>
TOTAL PUBLIC SAFETY				
Personnel	12,640,343	13,309,915	12,807,596	(502,319)
Operating	2,132,130	2,324,150	2,173,687	(150,463)
Capital	667,238	918,185	903,947	(14,238)
	<u>15,439,711</u>	<u>16,552,250</u>	<u>15,885,230</u>	<u>(667,020)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
<i>PUBLIC WORKS</i>				
Administration				
Personnel	404,324	430,144	405,240	(24,904)
Operating	203,850	186,945	181,408	(5,537)
	608,174	617,089	586,648	(30,441)
Public Works Facilities Support				
Operating	70,700	186,001	185,289	(712)
Capital	102,000	41,025	41,025	-
	172,700	227,026	226,314	(712)
Street				
Personnel	1,054,737	1,064,382	758,282	(306,100)
Operating	960,000	936,240	874,204	(62,036)
Capital	155,000	243,543	242,931	(612)
	2,169,737	2,244,165	1,875,417	(368,748)
City Engineer				
Personnel	124,208	127,303	112,316	(14,987)
Operating	169,650	190,019	180,278	(9,741)
	293,858	317,322	292,594	(24,728)
Grounds				
Personnel	1,006,087	1,085,770	899,181	(186,589)
Operating	502,175	495,124	431,666	(63,458)
Capital	55,000	84,182	83,983	(199)
	1,563,262	1,665,076	1,414,830	(250,246)
Museum				
Personnel	18,108	18,742	17,500	(1,242)
Operating	19,300	42,845	38,071	(4,774)
	37,408	61,587	55,571	(6,016)
Grounds- Parks				
Operating	156,100	155,669	141,226	(14,443)
Capital	-	43,034	43,034	-
	156,100	198,703	184,260	(14,443)
Mowing				
Personnel	698,039	749,643	734,938	(14,705)
Operating	309,800	325,948	330,098	4,150
Capital	297,000	308,770	308,580	(190)
	1,304,839	1,384,361	1,373,616	(10,745)

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
Mechanical Barn				
Personnel	495,343	572,803	513,724	(59,079)
Operating	718,700	223,803	121,212	(102,591)
Capital	43,000	-	-	-
	<u>1,257,043</u>	<u>796,606</u>	<u>634,936</u>	<u>(161,670)</u>
MS4 Compliance				
Personnel	167,567	169,901	140,224	(29,677)
Operating	55,000	54,967	30,997	(23,970)
	<u>222,567</u>	<u>224,868</u>	<u>171,221</u>	<u>(53,647)</u>
TOTAL PUBLIC WORKS				
Personnel	3,968,413	4,218,688	3,581,405	(637,283)
Operating	3,165,275	2,797,561	2,514,449	(283,112)
Capital	652,000	720,554	719,553	(1,001)
	<u>7,785,688</u>	<u>7,736,803</u>	<u>6,815,407</u>	<u>(921,396)</u>
<i>CULTURE & RECREATION</i>				
Recreation Parks				
Personnel	1,348,506	1,475,345	1,308,011	(167,334)
Operating	958,700	1,026,390	922,777	(103,613)
Capital	827,000	322,476	315,818	(6,658)
	<u>3,134,206</u>	<u>2,824,211</u>	<u>2,546,606</u>	<u>(277,605)</u>
Recreation				
Operating	133,950	146,753	121,663	(25,090)
	<u>133,950</u>	<u>146,753</u>	<u>121,663</u>	<u>(25,090)</u>
Athletic and Fitness Programs				
Personnel	49,466	50,843	43,945	(6,898)
Operating	187,000	183,912	146,742	(37,170)
	<u>236,466</u>	<u>234,755</u>	<u>190,687</u>	<u>(44,068)</u>
Project Wise Program				
Personnel	109,290	147,174	143,011	(4,163)
Operating	77,300	74,697	67,834	(6,863)
	<u>186,590</u>	<u>221,871</u>	<u>210,845</u>	<u>(11,026)</u>
SAIL Site Program				
Personnel	53,810	55,546	54,750	(796)
Operating	21,352	21,795	19,246	(2,549)
	<u>75,162</u>	<u>77,341</u>	<u>73,996</u>	<u>(3,345)</u>

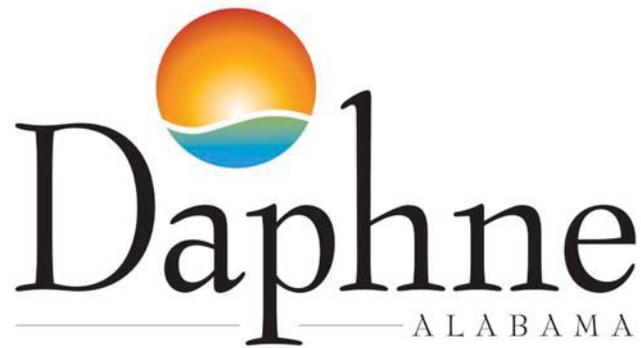
BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
Library				
Personnel	922,622	984,259	906,256	(78,003)
Operating	260,650	296,259	270,799	(25,460)
Capital	140,000	2,340	-	(2,340)
	1,323,272	1,282,858	1,177,055	(105,803)
TOTAL CULTURE AND RECREATION				
Personnel	2,483,694	2,713,167	2,455,973	(257,194)
Operating	1,638,952	1,749,806	1,549,061	(200,745)
Capital	967,000	324,816	315,818	(8,998)
	5,089,646	4,787,789	4,320,852	(466,937)
Debt Service				
Principal	-	-	125,163	125,163
Interest	-	-	1,218	1,218
	-	-	126,381	126,381
Total Expenditures				
Personnel	22,766,296	23,838,932	22,045,933	(1,792,999)
Operating	10,037,968	9,879,732	9,121,069	(758,663)
Debt Service	-	-	126,381	126,381
Capital	2,286,238	8,231,351	8,197,904	(33,447)
	35,090,502	41,950,015	39,491,287	(2,458,728)
Excess of Revenues Over Expenditures Before Other Financing Uses	7,046,540	5,073,416	12,567,597	7,494,181
<i>OTHER FINANCING SOURCES/(USES)</i>				
Transfers to Debt Service Fund	(2,663,538)	(2,663,538)	(2,663,538)	-
Transfers to Capital Reserve Fund	(2,140,000)	(3,530,020)	(3,530,020)	-
Transfers to Special Revenue Funds	-	(6,337,936)	(3,837,936)	2,500,000
Transfer to Solid Waste Fund	(1,019,861)	(1,365,545)	(608,025)	757,520
Transfers to Civic Center Fund	(311,219)	(699,011)	(400,198)	298,813
	(6,134,618)	(14,596,050)	(11,039,717)	3,556,333
Total Revenues Over (Under) Expenditures	\$ 911,922	\$ (9,522,634)	\$ 1,527,880	\$ 11,050,514

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

The reported budgetary data represents the final appropriated budget after amendments adopted by the City Council. An appropriated budget was legally adopted for the General Fund on the same modified-accrual basis used to present actual revenues and expenditures, except that for budgetary purposes, current year encumbrances are treated as expenditures. The following is a summary of the reconciliation of GAAP revenues over expenditures to budgetary revenues over expenditures for the fiscal year ended September 30, 2023:

GAAP Revenues Over Expenditures	\$	875,174
Encumbrances outstanding at:		
September 30, 2023		(210,700)
September 30, 2022		871,894
Encumbrances released during FY 2023		<u>(8,488)</u>
Budgetary Revenues over Expenditures	\$	<u>1,527,880</u>



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SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2022	2021	2020	2019	2018
Total pension liability					
Service Cost	\$ 1,513,036	\$ 1,207,312	\$ 1,047,182	\$ 1,016,908	\$ 980,412
Interest	3,297,167	3,048,043	2,762,544	2,615,666	2,503,491
Changes of benefit terms	33,368	-	655,710	-	-
Differences between expected and actual experience	512,891	377,281	955,818	43,498	(177,108)
Changes of assumptions	-	1,978,692	-	-	209,165
Benefit payments, including refunds of employee contributions	(2,003,619)	(1,776,738)	(1,689,189)	(1,572,504)	(1,504,465)
Transfers among employers	171,327	(48,846)	19,482	(137,723)	(310,889)
Net change in pension liability	<u>3,524,170</u>	<u>4,785,744</u>	<u>3,751,547</u>	<u>1,965,845</u>	<u>1,700,606</u>
Total pension liability - beginning	<u>45,259,082</u>	<u>40,473,338</u>	<u>36,721,791</u>	<u>34,755,946</u>	<u>33,055,340</u>
Total pension liability - ending (a)	<u>\$ 48,783,252</u>	<u>\$ 45,259,082</u>	<u>\$ 40,473,338</u>	<u>\$ 36,721,791</u>	<u>\$ 34,755,946</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,001,870	\$ 813,810	\$ 675,213	\$ 721,366	\$ 626,766
Contributions - member	1,039,240	949,387	744,248	716,370	652,867
Net investment income	(5,351,311)	7,590,179	1,856,011	819,693	2,738,263
Benefit payments, including refunds of employee contributions	(2,003,619)	(1,776,738)	(1,689,189)	(1,572,504)	(1,504,465)
Transfers among employers	171,327	(48,846)	19,482	(137,723)	(310,889)
Net change in plan fiduciary net position	<u>(5,142,493)</u>	<u>7,527,792</u>	<u>1,605,765</u>	<u>547,202</u>	<u>2,202,542</u>
Plan net position - beginning	<u>41,738,891</u>	<u>34,211,099</u>	<u>32,605,334</u>	<u>32,058,132</u>	<u>29,855,590</u>
Plan net position - ending (b)	<u>\$ 36,596,398</u>	<u>\$ 41,738,891</u>	<u>\$ 34,211,099</u>	<u>\$ 32,605,334</u>	<u>\$ 32,058,132</u>
Net pension liability (a) - (b)	\$ 12,186,854	\$ 3,520,191	\$ 6,262,239	\$ 4,116,457	\$ 2,697,814
Plan fiduciary net position as a percentage of the total pension liability	72.02%	92.22%	84.53%	88.79%	92.24%
Covered payroll	\$ 15,586,132	\$ 13,974,720	\$ 12,785,057	\$ 11,979,125	\$ 11,459,499
Net pension liability as a percentage of covered payroll	78.19%	25.19%	48.98%	34.36%	23.54%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2017	2016	2015	2014
Total pension liability				
Service Cost	\$ 979,924	\$ 955,939	\$ 939,089	\$ 907,051
Interest	2,398,372	2,166,725	2,007,083	1,850,235
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(708,794)	378,237	(57,447)	-
Changes of assumptions	-	1,268,564	-	-
Benefit payments, including refunds of employee contributions	(1,027,132)	(998,271)	(788,143)	(805,216)
Transfers among employers	(47,331)	105,914	-	-
Net change in pension liability	<u>1,595,039</u>	<u>3,877,108</u>	<u>2,100,582</u>	<u>1,952,070</u>
Total pension liability - beginning	<u>31,460,301</u>	<u>27,583,193</u>	<u>25,482,611</u>	<u>23,530,541</u>
Total pension liability - ending (a)	<u><u>\$ 33,055,340</u></u>	<u><u>\$ 31,460,301</u></u>	<u><u>\$ 27,583,193</u></u>	<u><u>\$ 25,482,611</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 637,713	\$ 641,261	\$ 633,555	\$ 632,854
Contributions - member	647,392	590,706	573,980	555,923
Net investment income	3,376,870	2,412,220	272,002	2,401,618
Benefit payments, including refunds of employee contributions	(1,027,132)	(998,271)	(788,143)	(805,216)
Transfers among employers	(47,331)	105,914	214,633	2,082
Net change in plan fiduciary net position	<u>3,587,512</u>	<u>2,751,830</u>	<u>906,027</u>	<u>2,787,261</u>
Plan net position - beginning	<u>26,268,078</u>	<u>23,516,248</u>	<u>22,610,221</u>	<u>19,822,960</u>
Plan net position - ending (b)	<u><u>\$ 29,855,590</u></u>	<u><u>\$ 26,268,078</u></u>	<u><u>\$ 23,516,248</u></u>	<u><u>\$ 22,610,221</u></u>
Net pension liability (a) - (b)	\$ 3,199,750	\$ 5,192,223	\$ 4,066,945	\$ 2,872,390
Plan fiduciary net position as a percentage of the total pension liability	90.32%	83.50%	85.26%	88.73%
Covered payroll	\$ 11,055,399	\$ 10,535,450	\$ 11,081,322	\$ 11,081,322
Net pension liability as a percentage of covered payroll	28.94%	49.28%	36.70%	25.92%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,050,648	\$ 954,878	\$ 813,810	\$ 675,213	\$ 739,705
Contributions in relation to the actuarially determined contribution	<u>1,050,648</u>	<u>954,878</u>	<u>813,810</u>	<u>675,213</u>	<u>739,705</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,656,529	\$ 15,586,132	\$ 13,974,720	\$ 12,785,057	\$ 11,979,125
Contributions as a percentage of covered payroll	6.31%	6.13%	5.82%	5.28%	6.17%
	2018	2017	2016	2015	
Actuarially determined contribution	\$ 626,766	\$ 636,895	\$ 639,362	\$ 633,226	
Contributions in relation to the actuarially determined contribution	<u>626,766</u>	<u>636,895</u>	<u>639,362</u>	<u>633,226</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 11,459,499	\$ 11,055,399	\$ 10,535,450	\$ 11,081,322	
Contributions as a percentage of covered payroll	5.47%	5.76%	6.07%	5.71%	

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

Notes to Schedule

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

Actuarial Cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	16.4 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25% - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation



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SCHEDULE OF CHANGES IN OPEB LIABILITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2023	2022	2021	2020
Total OPEB liability				
Service Cost	\$ 168,593	\$ 106,520	\$ 96,764	\$ 140,575
Interest	314,129	276,678	289,182	167,094
Changes of benefit terms	11,359	-	-	-
Differences between expected and actual experience	1,914,611	356,024	(390,855)	513,657
Changes of assumptions	(739,478)	-	-	(1,633,207)
Benefit payments	(185,500)	(228,401)	(216,494)	(207,502)
Net change in pension liability	1,483,714	510,821	(221,403)	(1,019,383)
Total OPEB liability - beginning	5,655,524	5,144,703	5,366,106	6,385,489
Total OPEB liability - ending (a)	\$ 7,139,238	\$ 5,655,524	\$ 5,144,703	\$ 5,366,106
Plan Fiduciary Net Position				
Contributions - employer	\$ 250,000	\$ 250,000	\$ 250,000	\$ 500,000
Contributions - member	-	-	-	-
Net investment income	54,156	(177,829)	43,841	27,181
Benefit payments	-	-	-	-
Administrative expense	(5,694)	(5,452)	(5,879)	(1,252)
Net change in fiduciary net position	298,462	66,719	287,962	525,929
Plan Fiduciary net position - beginning	880,610	813,891	525,929	-
Plan Fiduciary net position - ending (b)	\$ 1,179,072	\$ 880,610	\$ 813,891	\$ 525,929
Net OPEB liability - ending (a) - (b)	\$ 5,960,166	\$ 4,774,914	\$ 4,330,812	\$ 4,840,177
Covered payroll	\$ 15,790,686	\$ 12,559,618	\$ 12,076,556	\$ 11,301,478
Net OPEB liability as a percentage of covered payroll	37.74%	38.02%	35.86%	42.83%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF CHANGES IN OPEB LIABILITY, CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2019	2018
Total OPEB liability		
Service Cost	\$ 104,780	\$ 106,280
Interest	240,503	240,903
Changes of benefit terms	-	-
Differences between expected and actual experience	(451,267)	306,848
Changes of assumptions	841,543	(288,357)
Benefit payments	(207,502)	(165,191)
Net change in pension liability	528,057	200,483
Total OPEB liability - beginning	5,857,432	5,656,949
Total OPEB liability - ending (a)	<u>\$ 6,385,489</u>	<u>\$ 5,857,432</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ -	\$ -
Contributions - member	-	-
Net investment income	-	-
Benefit payments	-	-
Administrative expense	-	-
Net change in fiduciary net position	-	-
Plan Fiduciary net position - beginning	-	-
Plan Fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 6,385,489</u>	<u>\$ 5,857,432</u>
Covered payroll	\$ 10,866,806	\$ 10,695,256
Net OPEB liability as a percentage of covered payroll	58.76%	54.77%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Actuarially determined contribution	\$ 511,005	\$ 404,503	\$ 429,793	\$ 452,204
Contributions in relation to the actuarially determined contribution				
Employer contributions to trust	250,000	250,000	250,000	500,000
Employer paid retiree premiums	185,500	228,401	216,494	207,502
Employer paid expenses	-	-	-	-
	435,500	478,401	466,494	707,502
Contribution deficiency (excess)	\$ 75,505	\$ (73,898)	\$ (36,701)	\$ (255,298)
Covered payroll	\$ 15,790,686	\$ 12,559,618	\$ 12,076,556	\$ 11,301,478
Contributions as a percentage of covered payroll	2.76%	3.81%	3.86%	6.26%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

Notes to Schedule

Actuarially determined contribution rates are calculated as of the last day of the fiscal year in which contributions are reported. Methods and Assumptions used to determine contribution rates:

Actuarial Cost method	Individual Entry Age Normal
Amortization method	Level dollar
Amortization period	Average remaining service life of actives and retirees
Inflation	2.75% annual
Salary increases	Salary increases are from the ERS Valuation, as follows. These rates include the inflation assumption, above.
	<u>Service</u>
	<u>Rate</u>
	0
	6.00%
	1-5
	4.25%
	6-10
	4.00%
	11-15
	3.75%
	16-19
	3.50%
	20+
	3.25%
Discount Rate	5.5% annually
Assets used for ADC	Market value
Amortization for ADC	Level dollar, closed amortization, 29 years remaining for 2022-23 ADC

SCHEDULE OF INVESTMENT RETURNS – OPEB
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	5.90%	-17.08%	7.05%	5.65%

Source: Regions Wealth Platform (RWP)

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

Other Supplementary Information

Description of Non Major Governmental Funds

The **Debt Service Fund** is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. The majority of debt repayment transactions of the City flow through this fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Four and Five Cent Gasoline Tax Fund – This fund may be used for street resurfacing; cost of construction, improvement, and maintenance of highways, bridges, and streets; and certain other related purposes. This tax is levied by the State of Alabama and is legally restricted to these express purposes.

Seven Cent Gasoline Tax and Fuel Inspection Fees Fund and Ten Cent Gasoline Tax Fund – Both of these funds may be used for street improvements and maintenance. This tax is levied by the State of Alabama and is legally restricted to these express purposes.

Tree and Flower Fund – This fund may be used for various landscaping improvements on City owned property.

Animal Shelter Fund – This fund accounts for funding received for the construction of a new animal shelter to replace the current outdated building.

Covid-19 Relief Fund – This fund accounts for the grant funds received from the American Rescue Plan Act and the related expenditures.

Mobile Infirmary Building Fund – This fund accounts for all rent received and related expenditures for the Mobile Infirmary Building that was purchased with GOMESA grant proceeds.

Federal and State Drug Recoveries Fund – Court-ordered confiscated funds are remitted to the City for public safety use as set forth by US Departments of Justice and/or Treasury.

Library Fund – Donations and library fines are used to support library operations, purchase capital equipment, and provide certain library materials.

Municipal Court Equipment and Training Fund and Court & Judicial Administration Fund – Both of these funds are mandated by State Law and are maintained by fines levied by the City through its Municipal Court. Uses are restricted to providing additional support for the operations and capital needs of the Municipal Court.

Corrections and Court Fund – This fund is mandated by State Law and is maintained by fines levied by the City through its Municipal Court. Uses are restricted to providing additional support for the operations of the Municipal Court and the Municipal Jail.

Lodging Tax Fund – This fund represents a special tax levied by the City with proceeds used to support the maintenance and acquisition of Bayfront property; to support the acquisition of recreation capital equipment, grounds, and facilities; to support Olde Towne Daphne improvements; and to provide contributions to the Industrial Development Board and the Downtown Redevelopment Authority.

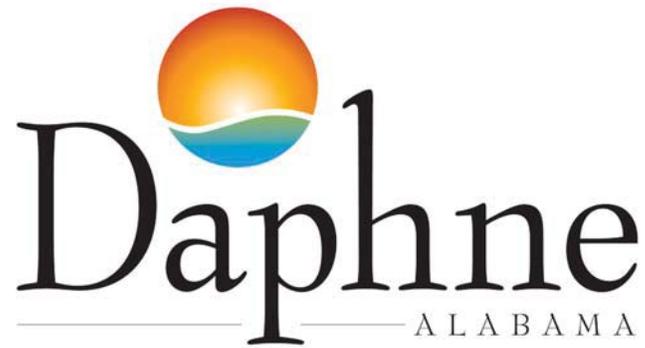
Renaissance Center Fund – A defined portion of sales and use taxes generated within the Renaissance Improvement District are remitted to the District to provide debt service coverage for this District's bond debt.

COMBINING BALANCE SHEET - SUMMARY
NON MAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023

	Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
ASSETS			
Cash, equity in pooled cash	\$ 8,744,796	\$ 495,199	\$ 9,239,995
Taxes receivable	175,138	-	175,138
Grants receivable	18,115	-	18,115
Other receivables	3,557	-	3,557
Leases receivable	283,079	-	283,079
Total assets	<u>9,224,685</u>	<u>495,199</u>	<u>9,719,884</u>
LIABILITIES			
Accounts payable	1,474,530	-	1,474,530
Accrued liabilities	656	-	656
Bond deposits	124,200	-	124,200
Total liabilities	<u>1,599,386</u>	<u>-</u>	<u>1,599,386</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - grants	122,600	-	122,600
Deferred revenue - leases	283,079	-	283,079
Total deferred inflows of resources	<u>405,679</u>	<u>-</u>	<u>405,679</u>
FUND BALANCES			
Restricted	1,473,104	495,199	1,968,303
Committed	5,702,265	-	5,702,265
Assigned	44,251	-	44,251
Total fund balances	<u>7,219,620</u>	<u>495,199</u>	<u>7,714,819</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 9,224,685</u>	<u>\$ 495,199</u>	<u>\$ 9,719,884</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - SUMMARY
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
REVENUES			
Sales, use, luxury taxes	\$ 2,757,785	\$ -	\$ 2,757,785
Fines and forfeitures	216,834	-	216,834
Charges for services	159,465	-	159,465
Intergovernmental	33,573	-	33,573
Grants	3,314,003	-	3,314,003
Interest and investment earnings	10,351	10,224	20,575
Contributions	69,670	-	69,670
Miscellaneous	3,150	-	3,150
Total revenues	<u>6,564,831</u>	<u>10,224</u>	<u>6,575,055</u>
EXPENDITURES			
Current expenditures:			
General government	698,902	-	698,902
Public safety	118,836	-	118,836
Public works	225,001	-	225,001
Culture and recreation	279,985	-	279,985
Total current expenditures	<u>1,322,724</u>	<u>-</u>	<u>1,322,724</u>
Capital outlay	6,677,575	-	6,677,575
Debt service:			
Principal	-	2,636,241	2,636,241
Interest	-	749,412	749,412
Total expenditures	<u>8,000,299</u>	<u>3,385,653</u>	<u>11,385,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,435,468)</u>	<u>(3,375,429)</u>	<u>(4,810,897)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,837,936	3,363,538	7,201,474
Transfers out	(700,000)	-	(700,000)
Total other financing sources (uses)	<u>3,137,936</u>	<u>3,363,538</u>	<u>6,501,474</u>
Net change in fund balances	1,702,468	(11,891)	1,690,577
Fund balances, beginning	5,517,152	507,090	6,024,242
Fund balances, ending	<u>\$ 7,219,620</u>	<u>\$ 495,199</u>	<u>\$ 7,714,819</u>



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COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2023

	Four Cent	Seven Cent	Ten Cent	Flower	Animal Shelter	COVID-19 Relief
ASSETS						
Cash, equity in pooled cash	\$ 270,596	\$ 244,946	\$ 156,385	\$ 22,660	\$ 3,607,583	\$ 281,472
Taxes receivable	5,669	7,135	18,164	-	-	-
Grants receivable	-	18,115	-	-	-	-
Leases receivable	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-
Total assets	<u>276,265</u>	<u>270,196</u>	<u>174,549</u>	<u>22,660</u>	<u>3,607,583</u>	<u>281,472</u>
LIABILITIES						
Accounts payable	-	-	-	-	817,639	158,872
Accrued liabilities	-	-	-	-	-	-
Bond deposits	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>817,639</u>	<u>158,872</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - grant revenue	-	-	-	-	-	122,600
Deferred revenue - leases	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,600</u>
FUND BALANCES						
Restricted	276,265	270,196	174,549	-	-	-
Committed	-	-	-	22,660	2,789,944	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>276,265</u>	<u>270,196</u>	<u>174,549</u>	<u>22,660</u>	<u>2,789,944</u>	<u>-</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 276,265</u>	<u>\$ 270,196</u>	<u>\$ 174,549</u>	<u>\$ 22,660</u>	<u>\$ 3,607,583</u>	<u>\$ 281,472</u>

Mobile Infirmery Building	Federal Drug Recoveries	State Drug Recoveries	Library	Mun Court: Eq/Training	Corrections/ Court	Lodging Tax	Renaissance Center	Total
\$ 52,988	\$ 194,146	\$ 93,162	\$ 44,305	\$ 40,121	\$ 543,484	\$ 3,192,948	\$ -	\$ 8,744,796
-	-	-	-	-	-	144,170	-	175,138
-	-	-	-	-	-	-	-	18,115
283,079	-	-	-	-	-	-	-	283,079
-	-	-	-	-	3,557	-	-	3,557
<u>336,067</u>	<u>194,146</u>	<u>93,162</u>	<u>44,305</u>	<u>40,121</u>	<u>547,041</u>	<u>3,337,118</u>	<u>-</u>	<u>9,224,685</u>
5,065	-	-	54	13	45,430	447,457	-	1,474,530
-	-	-	-	-	656	-	-	656
-	-	-	-	-	124,200	-	-	124,200
<u>5,065</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>13</u>	<u>170,286</u>	<u>447,457</u>	<u>-</u>	<u>1,599,386</u>
-	-	-	-	-	-	-	-	122,600
283,079	-	-	-	-	-	-	-	283,079
<u>283,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,679</u>
47,923	194,146	93,162	-	40,108	376,755	-	-	1,473,104
-	-	-	-	-	-	2,889,661	-	5,702,265
-	-	-	44,251	-	-	-	-	44,251
<u>47,923</u>	<u>194,146</u>	<u>93,162</u>	<u>44,251</u>	<u>40,108</u>	<u>376,755</u>	<u>2,889,661</u>	<u>-</u>	<u>7,219,620</u>
<u>\$ 336,067</u>	<u>\$ 194,146</u>	<u>\$ 93,162</u>	<u>\$ 44,305</u>	<u>\$ 40,121</u>	<u>\$ 547,041</u>	<u>\$ 3,337,118</u>	<u>\$ -</u>	<u>\$ 9,224,685</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Four Cent	Seven Cent	Ten Cent	Flower	Animal Shelter	COVID-19 Relief
REVENUES						
Sales, use, luxury taxes	\$ 62,125	\$ 78,536	\$ 203,839	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	-	52,615	-	-	-	3,246,388
Interest and investment earnings	1,233	1,056	970	-	-	-
Contributions	-	-	-	-	68,000	-
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	<u>63,358</u>	<u>132,207</u>	<u>204,809</u>	<u>-</u>	<u>68,000</u>	<u>3,246,388</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	24,976	-
Public works	-	-	-	-	-	54,711
Culture and recreation	-	-	-	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,976</u>	<u>54,711</u>
Capital outlay	-	52,615	150,000	-	1,868,174	3,191,677
Total expenditures	<u>-</u>	<u>52,615</u>	<u>150,000</u>	<u>-</u>	<u>1,893,150</u>	<u>3,246,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,358</u>	<u>79,592</u>	<u>54,809</u>	<u>-</u>	<u>(1,825,150)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	3,752,886	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,752,886</u>	<u>-</u>
Net change in fund balances	63,358	79,592	54,809	-	1,927,736	-
Fund balances, beginning	<u>212,907</u>	<u>190,604</u>	<u>119,740</u>	<u>22,660</u>	<u>862,208</u>	<u>-</u>
Fund balances, ending	<u>\$276,265</u>	<u>\$ 270,196</u>	<u>\$ 174,549</u>	<u>\$ 22,660</u>	<u>\$ 2,789,944</u>	<u>\$ -</u>

Mobile Infirmary Building	Federal Drug Recoveries	State Drug Recoveries	Library	Mun Court Eq/Training	Corrections Court	Lodging Tax	Renaissance Center	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,053,219	\$ 360,066	\$2,757,785
-	35,254	14,475	10,080	5,953	151,072	-	-	216,834
154,204	-	-	5,261	-	-	-	-	159,465
-	-	-	33,573	-	-	-	-	33,573
-	-	-	15,000	-	-	-	-	3,314,003
1,700	3,129	1,319	-	97	847	-	-	10,351
-	-	-	1,670	-	-	-	-	69,670
-	1,827	1,323	-	-	-	-	-	3,150
155,904	40,210	17,117	65,584	6,050	151,919	2,053,219	360,066	6,564,831
-	-	-	-	8,395	79,321	251,120	360,066	698,902
-	45,589	-	-	-	48,271	-	-	118,836
-	-	-	-	-	-	170,290	-	225,001
193,031	-	-	47,031	-	-	39,923	-	279,985
193,031	45,589	-	47,031	8,395	127,592	461,333	360,066	1,322,724
-	-	-	-	-	16,965	1,398,144	-	6,677,575
193,031	45,589	-	47,031	8,395	144,557	1,859,477	360,066	8,000,299
(37,127)	(5,379)	17,117	18,553	(2,345)	7,362	193,742	-	(1,435,468)
85,050	-	-	-	-	-	-	-	3,837,936
-	-	-	-	-	-	(700,000)	-	(700,000)
85,050	-	-	-	-	-	(700,000)	-	3,137,936
47,923	(5,379)	17,117	18,553	(2,345)	7,362	(506,258)	-	1,702,468
-	199,525	76,045	25,698	42,453	369,393	3,395,919	-	5,517,152
\$ 47,923	\$ 194,146	\$ 93,162	\$ 44,251	\$ 40,108	\$ 376,755	\$ 2,889,661	\$ -	\$7,219,620

BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 254,116	\$ 4,116
Grants	-	2,121,689	2,634,979	513,290
Interest and investment earnings	500	500	80,062	79,562
Contributions	-	30,000	30,000	-
Miscellaneous	-	-	44,050	44,050
Total revenues	<u>250,500</u>	<u>2,402,189</u>	<u>3,043,207</u>	<u>641,018</u>
EXPENDITURES				
Current:				
General government	-	-	212	212
Public works	-	-	727,321	727,321
Culture and recreation	-	-	112,869	112,869
Capital outlay	<u>2,246,000</u>	<u>6,378,849</u>	<u>9,189,717</u>	<u>2,810,868</u>
Total expenditures	<u>2,246,000</u>	<u>6,378,849</u>	<u>10,030,119</u>	<u>3,651,270</u>
Excess expenditures over revenue	<u>(1,995,500)</u>	<u>(3,976,660)</u>	<u>(6,986,912)</u>	<u>(3,010,252)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,140,000</u>	<u>3,530,020</u>	<u>3,530,020</u>	<u>-</u>
Total other financing sources	<u>2,140,000</u>	<u>3,530,020</u>	<u>3,530,020</u>	<u>-</u>
Net change in fund balance	<u>\$ 144,500</u>	<u>\$ (446,640)</u>	<u>\$ (3,456,892)</u>	<u>\$ 3,010,252</u>

BUDGETARY COMPARISON SCHEDULE
NON MAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Interest and investment earnings	\$ -	\$ -	\$ 10,224	\$ 10,224
Total revenues	-	-	10,224	10,224
EXPENDITURES				
Debt service:				
Principal	2,614,259	2,614,259	2,636,241	21,982
Interest	749,279	749,279	749,412	133
Total expenditures	3,363,538	3,363,538	3,385,653	22,115
Excess expenditures over revenue	(3,363,538)	(3,363,538)	(3,375,429)	(11,891)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,363,538	3,363,538	3,363,538	-
Total other financing sources	3,363,538	3,363,538	3,363,538	-
Net change in fund balance	\$ -	\$ -	\$ (11,891)	\$ (11,891)

BUDGETARY COMPARISON SCHEDULES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Four Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 60,300	\$ 60,300	\$ 62,125	\$ 1,825
Interest and investment earnings	500	500	1,233	733
Total revenues	60,800	60,800	63,358	2,558
Excess expenditures over revenue	60,800	60,800	63,358	2,558
Net change in fund balance	\$ 60,800	\$ 60,800	\$ 63,358	\$ (2,558)

Seven Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 75,500	\$ 75,500	\$ 78,536	\$ 3,036
Grants	-	52,615	52,615	-
Interest and investment earnings	500	500	1,056	556
Total revenues	76,000	128,615	132,207	3,592
EXPENDITURES				
Capital outlay	-	52,615	52,615	-
Total expenditures	-	52,615	52,615	-
Excess expenditures over revenue	76,000	76,000	79,592	3,592
Net change in fund balance	\$ 76,000	\$ 76,000	\$ 79,592	\$ (3,592)

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Ten Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 195,000	\$ 195,000	\$ 203,839	\$ 8,839
Interest and investment earnings	500	500	970	470
Total revenues	<u>195,500</u>	<u>195,500</u>	<u>204,809</u>	<u>9,309</u>
EXPENDITURES				
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess expenditures over revenue	<u>45,500</u>	<u>45,500</u>	<u>54,809</u>	<u>9,309</u>
Net change in fund balance	<u>\$ 45,500</u>	<u>\$ 45,500</u>	<u>\$ 54,809</u>	<u>\$ (9,309)</u>

Animal Shelter Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Contributions	\$ -	\$ -	\$ 68,000	\$ 68,000
Total revenues	<u>-</u>	<u>-</u>	<u>68,000</u>	<u>68,000</u>
EXPENDITURES				
Current:				
Public safety	-	-	24,976	24,976
Capital outlay	<u>-</u>	<u>6,252,886</u>	<u>1,868,174</u>	<u>(4,384,712)</u>
Total expenditures	<u>-</u>	<u>6,252,886</u>	<u>1,893,150</u>	<u>(4,359,736)</u>
Excess expenditures over revenue	<u>-</u>	<u>(6,252,886)</u>	<u>(1,825,150)</u>	<u>4,427,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>6,252,886</u>	<u>3,752,886</u>	<u>(2,500,000)</u>
Total other financing sources	<u>-</u>	<u>6,252,886</u>	<u>3,752,886</u>	<u>(2,500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,927,736</u>	<u>\$ (1,927,736)</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

COVID-19 Relief Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Grants	\$ -	\$ -	\$ 3,246,388	\$ 3,246,388
Total revenues	-	-	3,246,388	3,246,388
EXPENDITURES				
Current:				
Public works	-	55,000	54,711	(289)
Capital outlay	-	2,266,099	3,191,677	925,578
Total expenditures	-	2,321,099	3,246,388	925,289
Excess expenditures over revenue	-	(2,321,099)	-	2,321,099
Net change in fund balance	\$ -	\$ (2,321,099)	\$ -	\$ (2,321,099)

Mobile Infirmary Building Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Charges for services	\$ -	\$ 111,579	\$ 154,204	\$ 42,625
Interest and investment earnings	-	-	1,700	1,700
Total revenues	-	111,579	155,904	44,325
EXPENDITURES				
Current:				
Culture and recreation	-	196,629	193,031	(3,598)
Total expenditures	-	196,629	193,031	(3,598)
Excess expenditures over revenue	-	(85,050)	(37,127)	47,923
OTHER FINANCING SOURCES (USES)				
Transfers in	-	85,050	85,050	-
Total other financing sources	-	85,050	85,050	-
Net change in fund balance	\$ -	\$ -	\$ 47,923	\$ (47,923)

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Library Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 10,080	\$ 2,080
Charges for services	5,000	5,000	5,261	261
Intergovernmental	30,000	33,573	33,573	-
Grants	20,000	15,000	15,000	-
Contributions	2,000	2,000	1,670	(330)
Total revenues	<u>65,000</u>	<u>63,573</u>	<u>65,584</u>	<u>2,011</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>65,000</u>	<u>63,573</u>	<u>47,031</u>	<u>(16,542)</u>
Total expenditures	<u>65,000</u>	<u>63,573</u>	<u>47,031</u>	<u>(16,542)</u>
Excess revenue over expenditures	<u>-</u>	<u>-</u>	<u>18,553</u>	<u>(18,553)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,553</u>	<u>\$ (18,553)</u>

Renaissance Center:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 358,500	\$ 358,500	\$ 360,066	\$ 1,566
Total revenues	<u>358,500</u>	<u>358,500</u>	<u>360,066</u>	<u>1,566</u>
EXPENDITURES				
Current:				
General government	<u>358,500</u>	<u>358,500</u>	<u>360,066</u>	<u>1,566</u>
Total expenditures	<u>358,500</u>	<u>358,500</u>	<u>360,066</u>	<u>1,566</u>
Excess expenditures over revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Corrections and Court Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 133,000	\$ 133,000	\$ 151,072	\$ 18,072
Interest and investment earnings	100	100	847	747
Total revenues	<u>133,100</u>	<u>133,100</u>	<u>151,919</u>	<u>18,819</u>
EXPENDITURES				
Current:				
General government	87,600	87,600	79,321	(8,279)
Public safety	45,500	45,500	48,271	2,771
Capital outlay	<u>74,076</u>	<u>74,076</u>	<u>16,965</u>	<u>(57,111)</u>
Total expenditures	<u>207,176</u>	<u>207,176</u>	<u>144,557</u>	<u>(62,619)</u>
Excess expenditures over revenue	<u>(74,076)</u>	<u>(74,076)</u>	<u>7,362</u>	<u>81,438</u>
Net change in fund balance	<u>\$ (74,076)</u>	<u>\$ (74,076)</u>	<u>\$ 7,362</u>	<u>\$ (81,438)</u>

Municipal Court Training and Equipment Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 5,953	\$ 953
Interest and investment earnings	50	50	97	47
Total revenues	<u>5,050</u>	<u>5,050</u>	<u>6,050</u>	<u>1,000</u>
EXPENDITURES				
Current:				
General government	<u>4,450</u>	<u>4,450</u>	<u>8,395</u>	<u>3,945</u>
Total expenditures	<u>4,450</u>	<u>4,450</u>	<u>8,395</u>	<u>3,945</u>
Excess expenditures over revenue	<u>600</u>	<u>600</u>	<u>(2,345)</u>	<u>(2,945)</u>
Net change in fund balance	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ (2,345)</u>	<u>\$ 2,945</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Lodging Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 1,716,542	\$ 1,716,542	\$ 2,053,219	\$ 336,677
Total revenues	<u>1,716,542</u>	<u>1,716,542</u>	<u>2,053,219</u>	<u>336,677</u>
EXPENDITURES				
Current:				
General government	257,481	257,481	251,120	(6,361)
Public works	-	171,805	170,290	(1,515)
Culture and recreation	-	25,942	39,923	13,981
Capital outlay	-	1,089,089	1,398,144	309,055
Total expenditures	<u>257,481</u>	<u>1,544,317</u>	<u>1,859,477</u>	<u>315,160</u>
Excess expenditures over revenue	<u>1,459,061</u>	<u>172,225</u>	<u>193,742</u>	<u>21,517</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(700,000)	(700,000)	(700,000)	-
Total other financing sources (uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 759,061</u>	<u>\$ (527,775)</u>	<u>\$ (506,258)</u>	<u>\$ 21,517</u>

Part III Statistical Section

GUIDE TO STATISTICAL SECTION

This part of the City of Daphne’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

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These schedules contain information to help the reader assess the government's local revenue sources.

DEBT CAPACITY	149
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These schedules contain information to help the reader assess the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION	156
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

NET POSITION BY ACTIVITY TYPE
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Governmental activities					
Net investment in capital assets	\$ 140,372,617	\$ 116,205,821	\$ 109,125,523	\$ 97,095,352	\$ 89,146,653
Restricted	1,968,303	1,717,757	1,826,949	2,953,220	2,703,905
Unrestricted	37,016,608	41,165,802	33,240,180	24,284,779	16,869,717
Total governmental activities net position	<u>\$ 179,357,528</u>	<u>\$ 159,089,380</u>	<u>\$ 144,192,652</u>	<u>\$ 124,333,351</u>	<u>\$ 108,720,275</u>
Business-type activities					
Net investment in capital assets	\$ 735,030	\$ 169,453	\$ 290,106	\$ 140,858	\$ 287,908
Restricted	-	-	-	-	-
Unrestricted	(128,156)	437,421	316,768	466,016	318,966
Total business-type activities net position	<u>\$ 606,874</u>				
Primary government					
Net investment in capital assets	\$ 141,107,647	\$ 116,375,274	\$ 109,415,629	\$ 97,236,210	\$ 89,434,561
Restricted	1,968,303	1,717,757	1,826,949	2,953,220	2,703,905
Unrestricted	36,888,452	41,603,223	33,556,948	24,750,795	17,188,683
Total primary government activities net position	<u>\$ 179,964,402</u>	<u>\$ 159,696,254</u>	<u>\$ 144,799,526</u>	<u>\$ 124,940,225</u>	<u>\$ 109,327,149</u>

NET POSITION BY ACTIVITY TYPE, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Governmental activities					
Net investment in capital assets	\$ 73,073,736	\$ 58,109,624	\$ 64,148,784	\$ 61,391,398	\$ 63,388,217
Restricted	5,035,976	14,546,308	4,352,194	4,114,055	3,436,535
Unrestricted	17,262,207	18,117,208	18,231,323	17,197,567	17,533,883
Total governmental activities net position	\$ 95,371,919	\$ 90,773,140	\$ 86,732,301	\$ 82,703,020	\$ 84,358,635
Business-type activities					
Net investment in capital assets	\$ 362,045	\$ 411,503	\$ 586,503	\$ 720,777	\$ 466,828
Restricted	-	-	-	-	-
Unrestricted	244,829	320,921	145,921	11,647	143,859
Total business-type activities net position	\$ 606,874	\$ 732,424	\$ 732,424	\$ 732,424	\$ 610,687
Primary government					
Net investment in capital assets	\$ 73,435,781	\$ 58,521,127	\$ 64,735,287	\$ 62,112,175	\$ 63,855,045
Restricted	5,035,976	14,546,308	4,352,194	4,114,055	3,436,535
Unrestricted	17,507,036	18,438,129	18,377,244	17,209,214	17,677,742
Total primary government activities net position	\$ 95,978,793	\$ 91,505,564	\$ 87,464,725	\$ 83,435,444	\$ 84,969,322

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
EXPENSES					
Governmental activities:					
General government	\$ 7,307,689	\$ 7,188,850	\$ 7,633,646	\$ 6,128,965	\$ 5,599,964
Public safety	16,919,393	15,189,249	14,455,896	13,052,501	12,260,317
Public works	13,260,770	11,124,032	15,984,626	12,030,285	9,255,484
Culture and recreation	6,621,960	5,386,224	3,335,908	2,749,007	3,484,797
Contribution to Utilities Board	-	-	-	-	12,551
Interest and costs on long term debt	589,454	641,688	1,328,992	1,208,059	2,045,633
Total governmental activities expenses	44,699,266	39,530,043	42,739,068	35,168,817	32,658,746
Business-type activities:					
Solid Waste	2,584,836	2,409,061	2,132,063	2,019,256	1,980,805
Civic Center	820,316	659,928	598,718	536,488	476,637
Bayfront Park	-	-	-	90,485	186,947
Total business-type activities expenses	3,405,152	3,068,989	2,730,781	2,646,229	2,644,389
Total primary government activities expenses	48,104,418	42,599,032	45,469,849	37,815,046	35,303,135
PROGRAM REVENUES					
Governmental activities:					
Fees and charges for services:					
General government	6,586,273	5,716,094	5,402,187	5,252,189	5,128,591
Public safety	2,169,968	2,476,185	2,027,506	2,259,117	1,743,544
Public works	74,992	132,063	40,196	101,811	823,980
Culture and recreation	516,274	361,401	253,339	154,582	193,206
Operating grants and contributions	167,414	654,408	5,412,605	2,011,040	179,252
Capital grants and contributions	13,592,279	7,257,521	12,922,457	11,155,739	9,700,436
Total governmental program activities revenues	23,107,200	16,597,672	26,058,290	20,934,478	17,769,009
Business-type activities:					
Fees and charges for services:					
Solid Waste	1,943,011	1,863,252	1,761,072	1,267,421	1,611,090
Civic Center	365,481	383,367	337,858	251,569	388,632
Bayfront Park	-	-	-	24,982	57,189
Operating grants and contributions	36,000	-	23,159	4,906	-
Total business-type activities revenues	2,344,492	2,246,619	2,122,089	1,548,878	2,056,911
Total primary government activities revenues	25,451,692	18,844,291	28,180,379	22,483,356	19,825,920
NET (EXPENSES) / REVENUES					
Governmental activities	\$ (21,592,066)	\$ (22,932,371)	\$ (16,680,778)	\$ (14,234,339)	\$ (14,889,737)
Business-type activities	(1,060,660)	(822,370)	(608,692)	(1,097,351)	(587,478)
Total primary government net expense	(22,652,726)	(23,754,741)	(17,289,470)	(15,331,690)	(15,477,215)

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
EXPENSES					
Governmental activities:					
General government	\$ 5,991,913	\$ 5,011,264	\$ 5,210,215	\$ 4,095,602	\$ 3,859,574
Public safety	11,973,798	11,510,234	10,839,294	10,540,355	10,551,783
Public works	9,144,870	9,567,947	10,103,725	8,958,122	9,962,074
Culture and recreation	2,909,886	2,981,534	2,837,070	2,682,066	2,828,313
Contribution to Utilities Board	224,705	1,075,420	364,363	-	-
Interest and costs on long term debt	1,678,214	1,569,279	1,687,530	1,908,810	1,921,906
Total governmental activities expenses	31,923,386	31,715,678	31,042,197	28,184,955	29,123,650
Business-type activities:					
Solid Waste	1,917,834	1,893,055	1,998,862	2,075,134	1,359,874
Civic Center	471,520	516,727	525,740	504,049	597,747
Bayfront Park	228,087	242,117	232,108	209,983	209,147
Total business-type activities expenses	2,617,441	2,651,899	2,756,710	2,789,166	2,166,768
Total primary government activities expenses	34,540,827	34,367,577	33,798,907	30,974,121	31,290,418
PROGRAM REVENUES					
Governmental activities:					
Fees and charges for services:					
General government	5,034,708	4,853,694	4,621,753	4,582,032	4,400,562
Public safety	1,619,721	1,266,204	1,253,702	1,621,665	1,163,401
Public works	101,829	127,433	112,707	234,174	58,914
Culture and recreation	108,705	100,430	117,495	107,612	136,956
Operating grants and contributions	248,280	315,312	1,333,091	211,613	124,118
Capital grants and contributions	6,454,560	4,828,176	4,178,497	1,563,187	3,625,683
Total governmental program activities revenues	13,567,803	11,491,249	11,617,245	8,320,283	9,509,634
Business-type activities:					
Fees and charges for services:					
Solid Waste	1,550,100	1,411,119	1,367,146	1,329,308	1,330,671
Civic Center	229,123	210,717	206,086	209,924	224,967
Bayfront Park	68,287	74,305	75,307	67,727	84,472
Operating grants and contributions	-	-	-	36,287	-
Total business-type activities revenues	1,847,510	1,696,141	1,648,539	1,643,246	1,640,110
Total primary government activities revenues	15,415,313	13,187,390	13,265,784	9,963,529	11,149,744
NET (EXPENSES) / REVENUES					
Governmental activities	\$ (18,355,583)	\$ (20,224,429)	\$ (19,424,952)	\$ (19,864,672)	\$ (19,614,016)
Business-type activities	(769,931)	(955,758)	(1,108,171)	(1,145,920)	(526,658)
Total primary government net expense	(19,125,514)	(21,180,187)	(20,533,123)	(21,010,592)	(20,140,674)

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2022	FY 2021	FY 2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
General revenues					
Sales, use, and luxury taxes	31,629,098	30,651,129	28,889,599	23,589,566	21,837,498
Ad valorem taxes	9,654,925	8,354,152	7,113,864	6,641,675	6,318,657
Interest and investment earnings (loss)	483,137	(738,142)	92,550	386,567	482,378
Gain/(loss) on disposition of assets	6,807	48,931	82,326	(84,912)	82,951
Miscellaneous	862,189	124,645	919,627	71,527	74,494
Total general revenues	42,636,156	38,440,715	37,097,966	30,604,423	28,795,978
Transfers	(1,008,223)	(608,150)	(557,887)	(757,008)	(557,885)
Total governmental activities	41,627,933	37,832,565	36,540,079	29,847,415	28,238,093
Business-type activities:					
Gain/(loss) on disposition of assets	33,800	188,181	50,805	340,343	29,593
Interest and investment earnings (loss)	18,637	26,039			
Transfers	1,008,223	608,150	557,887	757,008	557,885
Total business-type activities	1,060,660	822,370	608,692	1,097,351	587,478
Total primary government	42,688,593	38,654,935	37,148,771	30,944,766	28,825,571
CHANGES IN NET POSITION					
Governmental activities	20,035,867	14,900,194	19,859,301	15,613,076	13,348,356
Business-type activities	-	-	-	-	-
Total primary government	\$ 20,035,867	\$ 14,900,194	\$ 19,859,301	\$ 15,613,076	\$ 13,348,356

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
General revenues					
Sales, use, and luxury taxes	20,665,705	19,239,333	18,367,765	17,175,134	16,482,126
Ad valorem taxes	6,088,719	5,828,033	5,488,662	5,219,736	5,110,152
Interest and investment earnings	62,517	26,398	187,203	213,194	75,559
Gain/(loss) on disposition of assets	1,765	62,557	-	(78,360)	77,842
Miscellaneous	55,507	57,747	518,774	41,014	81,594
Total general revenues	26,874,213	25,214,068	24,562,404	22,570,718	21,827,273
Transfers	(865,119)	(948,770)	(1,108,171)	(1,529,222)	(497,455)
Total governmental activities	26,009,094	24,265,298	23,454,233	21,041,496	21,329,818
Business-type activities:					
Gain/(loss) on disposition of assets	1,406	6,988	-	722	-
Transfers	865,119	948,770	1,108,171	1,529,222	497,455
Total business-type activities	866,525	955,758	1,108,171	1,529,944	497,455
Total primary government	26,875,619	25,221,056	24,562,404	22,571,440	21,827,273
CHANGES IN NET POSITION					
Governmental activities	7,653,511	4,040,869	4,029,281	1,176,824	1,715,802
Business-type activities	96,594	-	-	384,024	(29,203)
Total primary government	\$ 7,750,105	\$ 4,040,869	\$ 4,029,281	\$ 1,560,848	\$ 1,686,599

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
General Fund					
Nonspendable	\$ 1,010,199	\$ 945,107	\$ 773,493	\$ 666,965	\$ 669,267
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	210,700	871,894	1,299,406	924,538	798,971
Unassigned	26,427,718	24,724,161	22,249,938	17,963,738	14,774,723
Total General Fund	<u>\$ 27,648,617</u>	<u>\$ 26,541,162</u>	<u>\$ 24,322,837</u>	<u>\$ 19,555,241</u>	<u>\$ 16,242,961</u>
All Other Governmental Funds					
Restricted	\$ 1,968,303	\$ 1,717,757	\$ 1,826,949	\$ 2,953,220	\$ 3,623,660
Committed	5,702,265	4,280,787	4,772,152	2,096,938	2,328,807
Assigned	4,456,802	7,895,141	4,610,173	4,137,154	2,449,983
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>12,127,370</u>	<u>13,893,685</u>	<u>11,209,274</u>	<u>9,187,312</u>	<u>8,402,450</u>
Total All Governmental Funds	<u>\$ 39,775,987</u>	<u>\$ 40,434,847</u>	<u>\$ 35,532,111</u>	<u>\$ 28,742,553</u>	<u>\$ 24,645,411</u>

FUND BALANCES OF GOVERNMENTAL FUNDS, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
General Fund					
Nonspendable	\$ 680,850	\$ 672,414	\$ 425,200	\$ 413,384	\$ 445,276
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	848,386	1,047,284	633,724	200,121	235,433
Unassigned	13,180,837	12,239,966	12,671,707	10,967,353	9,460,898
Total General Fund	<u>\$ 14,710,073</u>	<u>\$ 13,959,664</u>	<u>\$ 13,730,631</u>	<u>\$ 11,580,858</u>	<u>\$ 10,141,607</u>
All Other Governmental Funds					
Restricted	\$ 10,276,812	\$ 14,546,308	\$ 4,352,194	\$ 4,114,055	\$ 3,436,535
Committed	2,422,164	2,176,032	1,861,490	2,854,833	2,198,674
Assigned	3,647,501	2,768,997	2,405,846	1,680,915	1,886,604
Unassigned	-	(13,961)	(13,961)	(685,893)	(487,888)
Total All Other Governmental Funds	<u>16,346,477</u>	<u>19,477,376</u>	<u>8,605,569</u>	<u>7,963,910</u>	<u>7,033,925</u>
Total All Governmental Funds	<u>\$ 31,056,550</u>	<u>\$ 33,437,040</u>	<u>\$ 22,336,200</u>	<u>\$ 19,544,768</u>	<u>\$ 17,175,532</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Revenues					
Taxes	\$ 42,382,453	\$ 40,042,879	\$ 37,676,199	\$ 32,080,853	\$ 30,261,355
Licenses and permits	4,465,309	4,438,217	3,904,382	3,948,199	3,290,913
Intergovernmental	969,601	980,494	921,414	1,027,054	806,009
Charges for services	1,258,531	889,366	950,552	603,641	703,089
Fines and forfeitures	584,012	646,666	451,038	514,508	506,574
Grants and contributions	10,564,306	2,669,897	6,558,214	2,014,316	609,805
Interest and investment earnings (loss)	483,137	(738,142)	92,549	386,568	482,377
Other	969,797	185,375	816,109	181,978	923,049
Total Revenues	61,677,146	49,114,752	51,370,457	40,757,117	37,583,171
Expenditures					
General government	6,814,883	7,019,675	7,257,682	5,922,934	5,355,778
Public safety	15,096,922	14,694,182	12,402,484	11,676,554	11,367,514
Public works	7,039,914	5,392,009	9,656,550	6,157,112	4,187,278
Culture and recreation	4,462,668	3,692,601	2,944,392	2,416,496	2,552,217
Contribution to Utilities Board	-	-	-	-	12,551
	33,414,387	30,798,467	32,261,108	26,173,096	23,475,338
Debt Service					
Principal	2,761,404	2,736,460	22,490,219	3,283,782	4,053,293
Interest	750,630	765,212	1,051,956	1,247,695	1,390,608
Cost of debt issuance	-	-	159,812	-	91,475
	3,512,034	3,501,672	23,701,987	4,531,477	5,535,376
Capital outlay	24,633,643	10,154,428	6,224,358	5,355,019	16,240,719
Total Expenditures	61,560,064	44,454,567	62,187,453	36,059,592	45,251,433
Excess of Revenues					
Over (Under) Expenditures	117,082	4,660,185	(10,816,996)	4,697,525	(7,668,262)
Other Financing Sources (Uses)					
Transfers in	10,731,494	8,805,303	7,508,971	7,334,462	9,678,558
Transfers out	(11,739,717)	(9,413,453)	(8,066,858)	(8,091,470)	(10,236,443)
Issuance of debt	-	850,701	19,947	156,625	805,355
Refunding warrant proceeds (net of discounts)	-	-	18,144,494	-	10,394,024
Payment to refunded bond escrow agent	-	-	-	-	(9,384,371)
Total Other Financing Sources (Uses)	(1,008,223)	242,551	17,606,554	(600,383)	1,257,123
Net Change in Fund Balances	\$ (891,141)	\$ 4,902,736	\$ 6,789,558	\$ 4,097,142	\$ (6,411,139)
Debt Service as a Percentage of					
Non-Capital Expenditures	9.51%	10.21%	42.07%	14.76%	18.77%

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Revenues					
Taxes	\$ 28,672,686	\$ 26,920,329	\$ 25,744,593	\$ 23,906,257	\$ 24,519,331
Licenses and permits	3,160,105	2,811,350	2,674,035	2,654,101	2,250,864
Intergovernmental	567,105	597,612	1,164,734	701,508	884,022
Charges for services	373,933	351,762	369,011	358,786	380,113
Fines and forfeitures	638,011	571,694	559,513	866,801	539,167
Grants and contributions	1,421,233	760,104	2,721,304	1,026,219	183,470
Interest and investment earnings	62,517	26,398	187,202	213,194	75,559
Other	116,460	175,873	666,584	213,797	268,052
Total Revenues	35,012,050	32,215,122	34,086,976	29,940,663	29,100,578
Expenditures					
General government	5,722,939	4,666,815	4,765,650	3,815,611	3,575,499
Public safety	10,925,824	10,240,081	9,999,719	9,737,257	9,740,349
Public works	4,095,667	4,230,430	5,042,520	3,927,456	5,008,458
Culture and recreation	2,162,526	2,223,838	2,094,896	1,957,963	2,105,906
Contribution to Utilities Board	224,705	1,075,420	364,363	-	-
	23,131,661	22,436,584	22,267,148	19,438,287	20,430,212
Debt Service					
Principal	3,555,258	3,806,154	3,603,942	4,562,582	2,766,201
Interest	1,542,661	1,474,359	1,247,830	1,600,130	1,833,561
Cost of debt issuance	10,750	21,500	121,150	124,738	-
	5,108,669	5,302,013	4,972,922	6,287,450	4,599,762
Capital outlay	9,571,655	4,997,475	5,199,050	4,468,018	3,215,113
Total Expenditures	37,811,985	32,736,072	32,439,120	30,193,755	28,245,087
Excess of Revenues					
Over (Under) Expenditures	(2,799,935)	(520,950)	1,647,856	(253,092)	855,491
Other Financing Sources (Uses)					
Transfers in	6,532,533	18,376,046	5,653,613	5,599,443	5,858,871
Transfers out	(7,397,652)	(19,324,816)	(6,761,784)	(6,744,641)	(6,356,326)
Issuance of debt	1,284,564	570,560	1,285,397	481,289	-
Refunding warrant proceeds (net of discounts)	-	12,000,000	9,281,737	9,983,232	-
Payment to refunded bond escrow agent	-	-	(8,315,387)	(7,034,096)	-
Total Other Financing Sources (Uses)	419,445	11,621,790	1,143,576	2,285,227	(497,455)
Net Change in Fund Balances	\$ (2,380,490)	\$ 11,100,840	\$ 2,791,432	\$ 2,032,135	\$ 358,036
Debt Service as a Percentage of					
Non-Capital Expenditures	18.05%	19.04%	17.81%	23.96%	18.38%

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>Sales, Use and Luxury Tax</u>	<u>Gasoline Tax</u>	<u>Payment In Lieu of Taxes</u>	<u>Ad Valorem Tax</u>	<u>Lodging Tax</u>
2023	\$ 28,670,015	\$ 223,952	\$ 3,039,655	\$ 8,395,612	\$ 2,053,219
2022	28,076,698	223,562	2,711,495	7,377,139	1,653,985
2021	26,415,512	217,609	2,638,733	6,786,084	1,618,261
2020	21,796,694	193,662	2,652,738	6,426,270	1,011,489
2019	19,958,146	218,722	2,652,300	6,190,619	1,241,568
2018	18,862,892	227,979	2,652,495	5,712,928	1,216,392
2017	17,666,885	202,720	2,563,873	5,490,960	1,198,611
2016	15,511,827	191,906	2,455,818	5,209,599	1,113,150
2015	14,491,340	192,497	2,251,462	5,219,736	1,136,521
2014	14,127,698	206,377	2,510,663	5,720,564	922,598

REVENUE RATES FOR GENERAL SALES TAX
LAST TEN FISCAL YEARS

Fiscal Year	City Sales Tax Rate	County Sales Tax Rate	State Sales Tax Rate	Total Sales Tax Rate
2023	2.5%	3.0%	4.0%	9.5%
2022	2.5%	3.0%	4.0%	9.5%
2021	2.5%	3.0%	4.0%	9.5%
2020	2.5%	3.0%	4.0%	9.5%
2019	2.5%	3.0%	4.0%	9.5%
2018	2.5%	3.0%	4.0%	9.5%
2017	2.5%	3.0%	4.0%	9.5%
2016	2.5%	3.0%	4.0%	9.5%
2015	2.5%	3.0%	4.0%	9.5%
2014	2.5%	2.0%	4.0%	8.5%

Source: State of Alabama Department of Revenue

PRINCIPAL REVENUE REMITTERS OF SALES AND USE TAX
CURRENT YEAR AND NINE YEARS AGO

ORGANIZATION	FISCAL YEAR			
	FY 2023 RANK	FY 2023 % of Total Taxable Sales	FY 2014 RANK	FY 2014 % of Total Taxable Sales
Sam's Club	1	7.54%	2	8.99%
Walmart Stores	2	6.62%	1	12.50%
Lowes Home Center	3	4.64%	3	5.39%
Target	4	3.52%	4	4.06%
Home Depot	5	3.49%	6	3.51%
Daphne Automotive	6	3.23%	5	3.55%
Publix	7	2.12%	9	2.43%
Tameron Automotive Eastern Shore	8	1.98%	8	2.58%
Terry Thompson Chevrolet	9	1.48%		
Tameron Coastal	10	1.30%		
Chris Myers Pontiac-GMC			7	3.13%
Winn Dixie			10	1.95%

Source: City of Daphne's Revenue Department

* Data was only available for the top 10 organizations each year

NET ASSESSED VALUE OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Total Direct Rates

Fiscal Year Ended September 30	Real Property				Personal Property		Total Net Assessed Value	Total Direct Tax Rate
	Utilities	Residential Property	Commercial Property	Automobiles	Penalties			
2023	\$ 467,720	\$290,425,880	\$ 394,981,320	\$ 79,045,800	\$ 354,700	\$765,275,420	15.00	
2022	500,960	243,816,120	349,731,540	67,372,054	254,800	661,675,474	15.00	
2021	547,700	208,060,880	297,151,220	57,870,627	164,640	563,795,067	15.00	
2020	513,000	191,051,540	286,746,580	48,608,520	155,309	527,074,949	15.00	
2019	513,000	179,079,620	278,763,680	46,009,298	12,140	504,377,738	15.00	
2018	534,680	152,428,320	238,346,960	44,508,614	35,260	435,853,834	15.00	
2017	53,240	140,513,700	226,752,080	46,863,344	14,740	414,197,104	15.00	
2016	798,240	130,803,220	215,173,580	47,557,362	75,320	394,407,722	15.00	
2015	966,980	124,961,900	203,847,660	44,532,382	184,080	374,493,002	15.00	
2014	964,900	119,181,840	195,800,920	42,506,788	208,480	358,662,928	15.00	

Source: Baldwin County Revenue Commissioner

Note: Property taxes are assessed and levied one year in arrears.

PRINCIPAL REVENUE REMITTERS OF PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

Taxpayers	FY 2023			FY 2014		
	Assessed Value	Rank	% of Total Net Assessed Value	Assessed Value	Rank	% of Total Net Assessed Value
Audubon 344 LLC	\$ 9,570,580	1	1.82%			
Colonnade at Eastern Shore LLC	8,862,280	2	1.68%			
Jubilee Square LLC	6,910,040	3	1.31%	\$ 7,040,680	1	1.96%
CMF III The Gates at Jubilee LLC	6,677,840	4	1.27%			
Belforest Aparments LLC	6,359,200	5	1.21%			
Daphne 546 I LLC Etal	5,911,640	6	1.12%			
Esfahani Real Estate Holdings	5,158,820	7	0.98%	2,088,360	9	0.58%
Palladian at Daphne LLC	5,018,640	8	0.95%			
OCP Whispering Pines LLC	4,736,000	9	0.90%			
Grande Pointe RVF Property LLC	4,421,500	10	0.84%			
Audubon Park Apartments LLC				3,793,400	2	1.06%
Myers Family Limited Partnership				2,952,360	3	0.82%
Jubilee Hotels Inc.				2,862,180	4	0.80%
Whispering Pines Park LLC				2,555,040	5	0.71%
Lowe's Home Centers Inc				2,326,560	6	0.65%
Budget Inn of Daphne, Inc.				2,164,540	7	0.60%
Walmart Real Estate Business Trust				2,138,420	8	0.60%
Health Care REIT Inc				2,045,160	10	0.57%

Source: Baldwin County Revenue Commissioner

- Data was only available for the top 10 organizations each year and some property owners have changed names

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Direct Rate			Overlapping Rates**					Overlapping Rates**				Total Direct & Overlapping Rates
	City of Daphne			Baldwin County					State of Alabama				
	Operating Millage	School Millage	General Millage	Road / Bridge Millage	Fire Millage	School Millage	Health Care Authority Millage	Total County Millage	General Millage	School Millage	Soldier Millage	Total State Millage	
2023	15.0	3.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	46.0
2022	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2021	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2020	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2019	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2018	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2017	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2016	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2015	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2014	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0

Source: Baldwin County Revenue Commissioner

** Overlapping rates are those of county and state governments that apply to property owners within the City of Daphne.

AD VALOREM LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 8,823,732	\$ 8,165,908	92.54%	\$ -	\$ 8,165,908	92.54%
2022	7,630,109	7,333,104	96.11%	-	7,333,104	96.11%
2021	6,729,663	6,721,981	99.89%	-	6,721,981	99.89%
2020	6,362,692	6,358,329	99.93%	3,936	6,362,265	99.99%
2019	6,066,142	6,060,319	99.90%	4,019	6,064,338	99.97%
2018	5,813,829	5,791,368	99.61%	3,364	5,794,732	99.67%
2017	5,464,020	5,457,542	99.88%	3,619	5,461,161	99.94%
2016	5,185,562	5,180,576	99.90%	4,224	5,184,800	99.98%
2015	4,898,061	4,889,546	99.82%	4,545	4,894,091	99.91%
2014	4,740,854	4,715,793	99.47%	23,300	4,739,093	99.96%

Source: Baldwin County Revenue Commissioner - Complete updated numbers were not available from the County at the time of issuance for FY 2022 collections and collections in subsequent years

Note: Property taxes are collected starting October 1 of the following year, thus 2023 collections represent collections received through the issuance of this report

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Constitutional Debt Limit	\$ 138,190,221	\$ 119,193,303	\$ 101,497,841	\$ 94,959,482	\$ 90,674,320
Total Net Debt Applicable to Limit	(24,034,170)	(26,244,302)	(28,416,064)	(32,302,054)	(34,563,180)
Legal Debt Margin	\$ 114,156,051	\$ 92,949,001	\$ 73,081,777	\$ 62,657,428	\$ 56,111,140
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	17.39%	22.02%	28.00%	34.02%	38.12%

Legal Debt Margin Calculation

Assessed Value	<u>\$ 690,951,105</u>	<u>\$ 595,966,514</u>	<u>\$ 507,489,207</u>	<u>\$ 474,797,409</u>	<u>\$ 453,371,598</u>
Debt Limit (20% of Total Assessed Value)	<u>\$ 138,190,221</u>	<u>\$ 119,193,303</u>	<u>\$ 101,497,841</u>	<u>\$ 94,959,482</u>	<u>\$ 90,674,320</u>
Debt Applicable to Limit:					
General Obligation Bonds	\$ 24,650,442	\$ 26,950,794	\$ 29,210,000	\$ 33,349,994	\$ 35,874,840
Less: Exempt Debt	(616,272)	(706,492)	(793,936)	(1,047,940)	(1,311,660)
Total Net Debt Applicable to Limit	<u>\$ 24,034,170</u>	<u>\$ 26,244,302</u>	<u>\$ 28,416,064</u>	<u>\$ 32,302,054</u>	<u>\$ 34,563,180</u>
Legal Debt Margin	\$ 114,156,051	\$ 92,949,001	\$ 73,081,777	\$ 62,657,428	\$ 56,111,140

LEGAL DEBT MARGIN, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Constitutional Debt Limit	\$ 87,170,767	\$ 82,839,421	\$ 78,881,544	\$ 74,898,600	\$ 71,732,586
Total Net Debt Applicable to Limit	(37,240,809)	(39,986,229)	(30,882,844)	(33,291,384)	(33,914,432)
Legal Debt Margin	\$ 49,929,958	\$ 42,853,192	\$ 47,998,700	\$ 41,607,216	\$ 37,818,154
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	42.72%	48.27%	39.15%	44.45%	47.28%

Legal Debt Margin Calculation

Assessed Value	<u>\$ 435,853,834</u>	<u>\$ 414,197,104</u>	<u>\$ 394,407,722</u>	<u>\$ 374,493,002</u>	<u>\$ 394,407,722</u>
Debt Limit (20% of Total Assessed Value)	<u>\$ 87,170,767</u>	<u>\$ 82,839,421</u>	<u>\$ 78,881,544</u>	<u>\$ 74,898,600</u>	<u>\$ 71,732,586</u>
Debt Applicable to Limit:					
General Obligation Bonds	\$ 38,895,305	\$ 41,972,457	\$ 33,270,204	\$ 36,038,064	\$ 37,007,732
Less: Exempt Debt	(1,654,496)	(1,986,228)	(2,387,360)	(2,746,680)	(3,093,300)
Total Net Debt Applicable to Limit	<u>\$ 37,240,809</u>	<u>\$ 39,986,229</u>	<u>\$ 30,882,844</u>	<u>\$ 33,291,384</u>	<u>\$ 33,914,432</u>
Legal Debt Margin	\$ 49,929,958	\$ 42,853,192	\$ 47,998,700	\$ 41,607,216	\$ 37,818,154

OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business Activities		Total Primary Government Debt	Total Debt as a Percentage of Personal Income ⁽¹⁾	Total Debt Per Capita ⁽¹⁾
	General Obligation Debt	Limited Obligation Debt	Net Premiums/ (Discounts)	Note Payable and Leases	Intangible Right-to-Use Lease Liability	Leases				
2023	\$ 24,650,442	\$ -	\$ 1,701,602	\$ 711,717	\$ 399,253	\$ 800,417	\$ 28,263,431	*	*	
2022	26,950,794	-	1,850,771	1,047,606	36,919	1,161,792	31,047,882	1.84%	1,046	
2021	29,210,000	-	1,999,940	634,438	-	1,337,655	33,182,033	2.06%	1,153	
2020	32,516,000	833,994	1,198,965	1,749,716	-	1,017,126	37,315,801	2.65%	1,359	
2019	34,242,000	1,632,840	1,284,789	2,352,027	-	310,165	39,821,821	3.07%	1,482	
2018	36,620,000	2,275,305	362,210	2,329,500	-	492,456	42,079,471	3.38%	1,588	
2017	39,085,000	2,887,457	400,835	1,523,042	-	463,839	44,360,173	3.76%	1,709	
2016	29,990,000	3,280,204	438,099	1,460,889	-	270,666	35,439,858	3.11%	1,368	
2015	32,215,000	3,823,064	(308,284)	581,574	-	415,879	36,727,233	3.47%	1,475	
2014	32,920,000	4,087,733	(384,292)	293,198	-	245,794	37,162,433	3.77%	1,523	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Data not available at time of publication

⁽¹⁾ See the Schedule of Demographic and Economic Statistics for personal income and population data

NET BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Net Debt ⁽¹⁾	Net Debt as a Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Net Debt Per Capita ⁽³⁾
2023	\$ 25,856,845	3.38%	*
2022	28,294,475	4.28%	954
2021	30,737,857	5.45%	1,068
2020	32,688,453	6.20%	1,190
2019	35,304,231	7.00%	1,314
2018	39,257,515	9.01%	1,461
2017	42,373,292	10.23%	1,599
2016	33,708,303	8.55%	1,298
2015	35,729,780	9.54%	1,379
2014	36,623,441	10.21%	1,471

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - Net debt included a reduction in the amount of \$495,199 for resources that have been restricted for the repayment of debt. Notes payable and leases are also excluded.

(2) - See the Schedule of Net Assessed Value of Taxable Property for property value data.

(3) - Population data can be found in the Schedule of Demographic and Economic Statistics

* Data not available at time of publication

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Daphne Direct Debt			
Net Direct Debt	\$ 27,463,014	100.00%	\$ 27,463,014
Subtotal:	\$ 27,463,014		\$ 27,463,014
Overlapping Debt			
Utilities Board of the City of Daphne ⁽¹⁾	13,675,000	100.00%	13,675,000
Baldwin County General Bonded Debt & Warrants	64,339,148	7.65% ⁽²⁾	4,923,433
Subtotal:	\$ 78,014,148		\$ 18,598,433
Total Direct & Overlapping Debt			\$ 46,061,447

Source: Baldwin County Revenue Commissioner

(1) - The Utilities Board of the City of Daphne is a subordinate entity.

(2) - The percentage of net assessed value of property in the City of Daphne (\$612,759,200) to net assessed value of property in Baldwin County (\$8,007,503,540) on 10/1/2022.

\$8,007,503,540 Baldwin
 \$612,759,200 Daphne
 7.65% Daphne Percentage

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capital Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2023	*	*	*	2.2%
2022	29,670	\$ 1,683,683,490	\$ 56,747	2.4%
2021	28,777	1,607,627,105	55,865	3.1%
2020	27,462	1,406,878,260	51,230	3.2%
2019	26,869	1,296,966,630	48,270	2.1%
2018	26,506	1,243,263,930	46,905	3.5%
2017	25,960	1,178,506,120	45,397	3.0%
2016	25,913	1,141,312,172	44,044	5.1%
2015	24,896	1,057,806,144	42,489	5.2%
2014	24,395	986,850,935	40,453	6.3%

(1) U.S. Census Bureau

(2) "Population" multiplied by "Per Capital Personal Income"

(3) U.S. Department of Commerce, Bureau of Economic Analysis (data reported for Daphne-Fairhope-Foley MSA)

(4) U.S. Bureau of Labor Statistics

* Data not available at time of publication

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

EMPLOYER	FY 2023 % of			FY 2014 % of		
	FY 2023 # of Employees	Total Employees	FY 2023 RANK	FY 2014 # of Employees	Total Employees	FY 2014 RANK
Baldwin County Board of Education	637	4.80%	1			
City of Daphne	376	2.83%	2	292	0.36%	2
Thomas Medical Center/ER	300	2.26%	3			
Wal-Mart Super Center	255	1.92%	4	300	0.37%	1
Eastern Shore Toyota / Hyundai	248	1.87%	5	189	0.23%	3
Lowe's	165	1.24%	6	174	0.21%	4
Tameron Honda	150	1.13%	7(tie)			
Publix	150	1.13%	7(tie)			
Bayside Academy	120	0.90%	9	105	0.13%	7
The Brennnity	100	0.75%	10	101	0.12%	8
Target		0.00%		100	0.12%	9(tie)
Home Depot				100	0.12%	9(tie)
Sam's Club				150	0.19%	5(tie)
Chris Myers				150	0.19%	5(tie)

Source: Eastern Shore Chamber of Commerce

- Data was only available for the top 10 employers each year

CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	FISCAL YEAR				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
General Government:					
Legislative	2	2	2	2	2
Executive and Marketing	6	7	6	6	6
Information Technology	3	3	3	3	3
Human Resources	5	5	4	5	5
Finance	7	7	7	7	7
Revenue	3	3	3	3	3
Planning	5	5	4.5	4.5	4
Municipal Court	4	4	4	4	4
Building Maintenance & Janitorial	9	9	10	9	9
Total General Government	44	45	43.5	43.5	43
Public Safety:					
Police Department	108	107	103	101	100
Fire Department	69	68	68	59	59
Building Inspection	6	8	7.5	6.5	6.5
Code Enforcement	2	2	2	2	2
Total Public Safety	185	185	180.5	168.5	167.5
Public Works:					
Public Works Administration	6	7	7	7	7
Streets	17	17	14	14	14
City Engineering and MS4 Compliance	5	0	0	0	0
Grounds	19	18	15	15	14
Museum	1	1	1	1	1
Mowing	12	11	9	9	9
Mechanical	9	8	8	8	8
Solid Waste	17	17	15	17	17
Total Public Works	86	79	69	71	70
Culture and Recreation:					
Parks	27	26	21	14	11
Recreation	4	4	4	4	4
S.A.I.L. Site	2	2	2	2	2
Library	21	21	19	19	18
Civic Center	7	7	7	7	7
Total Library & Recreation	61	60	53	46	42
Total Employees	376	369	346	329	323

CITY GOVERNMENT EMPLOYEES BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

Function	FISCAL YEAR				
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
General Government:					
Legislative	2	2	2	2	2
Executive and Marketing	5	4	3	3	2
Information Technology	3	3	2	2	1
Human Resources	5	5	5	4	3
Finance	7	7	7	7	8
Revenue	3	3	3	3	2
Planning	4	4	4	4	4
Municipal Court	4	4	3	3	3
Building Maintenance & Janitorial	8	8	7	7	7
Total General Government	41	40	36	35	32
Public Safety:					
Police Department	100	97	91	91	91
Fire Department	58	57	55	54	54
Building Inspection	6	6	6	5	5
Code Enforcement	2	2	2	2	1
Total Public Safety	166	162	154	152	151
Public Works:					
Public Works Administration	5	5	5	5	5
Streets	13	13	13	13	13
City Engineering and MS4 Compliance	0	0	0	0	0
Grounds	14	14	14	14	14
Museum	0	0	0	0	0
Mowing	9	9	9	8	8
Mechanical	8	8	8	8	8
Solid Waste	18	17	17	17	17
Total Public Works	67	66	66	65	65
Culture and Recreation:					
Parks	9	6	6	6	6
Recreation	6	6	6	8	8
S.A.I.L. Site	2	2	2	2	3
Library	17	17	17	17	16
Civic Center	7	7	7	7	6
Total Library & Recreation	41	38	38	40	39
Total Employees	315	306	294	292	287

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Municipal Court				
Cases Filed:				
Traffic	3,324	2,909	3,305	2,339
Non- Traffic	564	486	408	390
Parking	-	-	-	-
Total Cases Filed:	3,888	3,395	3,713	2,729
Cases Disposed of:				
Traffic	3,197	3,097	3,044	2,998
Non- Traffic	572	535	603	417
Parking	-	-	-	-
Total Cases Disposed of:	3,769	3,632	3,647	3,415
Cases Appealed:				
Traffic	5	10	26	23
Non- Traffic	10	18	20	24
Parking	-	-	-	-
Total Appeals:	15	28	46	47
Cases by Disposition Type:				
Guilty	1,850	3,368	1,660	1,500
Not Guilty	3	22	7	5
Nol pros / Dismissal	1,779	1,707	1,766	1,801
Continued	1,921	*N/A	*N/A	*N/A
Total Cases:	5,553	5,097	3,433	3,306

*N/A – The Municipal Court upgraded reporting software during the fiscal year 2017 and the information is no longer available and/or being reported. The Municipal Court converted back to the original software in 2023.

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
3,729	3,236	3,366	3,808	4,269	3,552
514	327	416	462	458	396
-	-	-	-	1	-
4,243	3,563	3,782	4,270	4,728	3,948
3,590	2,997	3,527	3,958	4,259	3,812
556	457	427	439	458	420
-	-	-	-	-	-
4,146	3,454	3,954	4,397	4,717	4,232
31	12	39	45	69	55
19	23	43	52	53	39
-	-	-	-	-	-
50	35	82	97	122	94
2,230	3,309	3,215	2,589	2,814	2,472
10	76	48	7	9	11
1,818	1,431	1,489	1,643	1,711	1,505
*N/A	*N/A	*N/A	6,303	4,912	4,083
4,058	4,816	4,752	10,542	9,446	8,071

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Municipal Court (continued)				
Local Receipts:				
Fines	\$ 228,860	\$ 277,354	\$ 243,459	\$ 263,008
Corrections	88,437	78,306	75,327	65,376
Municipal ETC	5,957	5,184	7,013	4,305
Bonds Forfeited	42,614	54,470	20,858	24,967
Other Local	129,834	114,548	97,991	89,472
Total Local Receipts:	\$ 495,702	\$ 529,862	\$ 444,648	\$ 447,128
State Receipts:				
Fair Trial Tax	\$ 46,689	\$ 41,748	\$ 40,058	\$ 24,879
Peace Officers Annuity and Training Fund	15,306	18,637	4,361	5,324
State Drivers Fund	21,529	19,019	18,917	16,255
Crime Victims Fund	8,868	8,183	6,763	6,568
State General Fund	61,291	54,583	52,721	45,340
State General DUI	6,191	7,226	9,930	7,162
AHSCI Trust Fund	*N/A	11,900	11,065	6,809
Chemical Forensic	8,631	8,680	10,016	9,997
DNA Database	37,956	33,341	31,074	26,855
Criminal History	17,368	15,808	13,474	10,941
Traffic Safety Trust Fund	*N/A	5,352	4,950	6,129
Impaired Driver	6,132	4,519	8,839	-
Forensic Trust	1,500	99	*N/A	*N/A
Drivers License Fee	14,472	1,100	*N/A	*N/A
Advance Tech Data	8,735	8,676	8,586	7,938
Drug Docket Fee	1,328	120	*N/A	*N/A
Other State	208,910	177,288	155,344	222,773
Total State Receipts:	\$ 464,906	\$ 416,279	\$ 376,098	\$ 396,970
Other Receipts:				
Restitution	\$ 11,730	\$ 9,663	\$ 20,551	\$ 11,246
Cash Bonds	\$ 386,233	\$ 370,693	\$ 141,385	\$ 76,521
Total Other Receipts:	\$ 397,963	\$ 380,356	\$ 161,936	\$ 87,767

*N/A – The Municipal Court upgraded reporting software during the fiscal year 2017 and the information is no longer available and/or being reported. The Municipal Court converted back to the original software in 2023.

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
\$ 264,749	\$ 266,468	\$ 251,085	\$ 260,762	\$ 246,491	\$ 259,223
82,578	37,762	79,781	93,536	96,646	82,753
5,493	4,963	5,185	6,240	6,447	5,551
15,763	14,000	2,193	30,148	29,591	15,475
104,134	137,258	109,911	123,575	122,275	115,508
\$ 472,717	\$ 460,451	\$ 448,155	\$ 514,261	\$ 501,450	\$ 478,510
\$ 44,145	\$ 39,871	\$ 42,146	\$ 50,084	\$ 52,161	\$ 44,585
21,447	19,405	20,688	24,448	25,610	21,511
5,830	4,720	7,617	9,214	9,314	14,625
3,012	1,590	1,195	*N/A	*N/A	*N/A
13,139	8,596	9,301	9,061	6,068	8,032
57,710	51,989	54,865	65,811	68,016	58,295
31,504	28,931	30,413	36,798	37,740	33,036
9,316	9,195	8,272	10,645	10,593	11,256
3,286	3,001	3,762	*N/A	*N/A	*N/A
5,695	10,919	15,394	16,131	16,745	14,321
9,480	8,016	7,978	9,356	9,688	8,347
7,396	6,686	6,785	8,288	8,483	7,591
7,574	2,404	5,011	5,263	5,719	8,186
*N/A	*N/A	2,307	2,623	2,310	2,069
*N/A	*N/A	*N/A	13,774	12,154	12,571
*N/A	*N/A	*N/A	1,117	797	800
175,641	158,844	173,011	195,103	197,132	149,624
\$ 395,175	\$ 354,167	\$ 388,745	\$ 457,716	\$ 462,530	\$ 394,849
\$ 8,621	\$ 10,307	\$ 6,810	\$ 9,659	\$ 9,452	\$ 4,285
\$ 230,868	\$ 209,278	\$ 178,022	\$ 193,220	\$ 168,056	\$ 149,700
\$ 239,489	\$ 219,585	\$ 184,832	\$ 202,879	\$ 177,508	\$ 153,985

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Public Safety				
Police Department:				
Patrol Division:				
Complaints	27,267	25,180	14,383	12,747
Accidents - Private Property	287	150	178	178
Accidents - Roadway	1,205	991	1,074	831
Accidents - Traffic Homicides	5	1	3	4
Arrests - Controlled Substance	78	31	55	67
Arrests - Drug Paraphernalia	88	78	54	75
Arrests - Felony Marijuana	7	-	4	4
Arrests - Misdemeanor Marijuana	94	77	77	72
Arrests - Alias Warrant	1,178	443	150	253
Arrests - D.U.I.	221	76	211	163
Arrests - Felony	183	133	73	74
Arrests - Misdemeanor	1,348	1,288	719	766
Assists - Motorist / Citizens	2,851	3,037	2,303	1,733
Citations	3,208	2,863	3,150	2,114
Searches - Vehicles	476	-	327	287
Security Checks	9,006	16,806	20,316	17,022
Warnings	1,837	2,134	3,061	1,700
Drug Report - Routine Patrol & Special Ops:				
Drugs Seized	151	78	102	136
Vehicles Seized	-	-	-	-
Commercial Vehicle Inspections	-	-	47	11
Monies Seized	\$ 12,733	\$ 126	\$ 229,000	\$ 372,000
Detective Division:				
New Cases Received	610	587	691	687
Previous Unsolved Cases	125	131	93	76
Cases Solved	469	409	479	463
Arrests:				
Cases Solved - Felony	66	145	94	54
Cases Solved - Misdemeanor	103	682	37	33
Total Warrants Arrests	169	827	131	87

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
15,113	15,292	17,287	14,569	14,871	14,044
190	247	194	212	170	194
1,010	969	883	1,776	862	804
4	2	7	3	2	2
42	50	61	31	25	19
69	69	58	51	44	38
7	8	10	4	7	2
78	62	121	57	42	29
555	578	510	520	438	357
142	146	127	133	138	141
99	90	174	89	70	71
1,000	1,011	1,102	973	844	695
1,688	1,721	2,073	1,808	1,856	2,345
3,338	2,978	3,400	3,908	4,368	3,374
315	233	1,145	1,145	1,145	489
15,581	10,904	9,241	11,722	8,266	3,017
2,193	1,255	2,171	2,495	4,540	2,603
112	12	102	92	6	48
-	7	-	2	-	-
147	294	317	404	483	433
\$ 1,580,000	\$ 3,344,000	\$ 10	\$ -	\$ -	\$ -
879	893	739	804	752	726
60	67	69	95	91	73
609	548	511	554	466	403
101	67	81	97	63	58
80	40	17	27	16	3
181	107	98	124	79	61

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Detective Division (continued)				
Sex Offenders:				
Contact Verification	45	48	70	79
Total # of Offenders	12	14	9	8
D.A.R.E.:				
Hours Report Writing	300	75	48	56
Police Reports by S.R.O.	52	75	48	42
Arrests by S.R.O.	40	47	23	20
Code Enforcement:				
Warnings	166	428	523	394
Citations	17	26	-	5
Business License Enforcement	145	231	83	51
Jail:				
Arrestees Received & Processed	2,011	1,817	1,216	1,405
Inmate Meals Served	\$ 60,035	\$ 34,328	\$ 17,846	\$ 35,281
Inmate Medical Cost	\$ 11,193	\$ 15,892	\$ 8,176	\$ 13,386
Worker Inmate Hours	-	-	-	1,190
Animal Control:				
Complaints	402	588	434	465
Follow-Up	1,800	5,011	2,488	2,950
Citations	15	36	18	16
Warnings	230	238	328	311
Felines Captured	137	134	286	226
Canines Captured	109	166	189	218
Other Captured	-	-	-	22
Returned to Owner	44	102	98	93
Adopted	165	208	176	188
Euthanized/Died in Shelter	16	14	34	47
Transfers	21	N/A	N/A	N/A

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
61	47	75	54	35	36
6	6	8	5	5	7
70	51	21	41	34	41
65	43	21	42	32	31
26	26	10	12	7	17
550	573	780	548	95	40
17	10	44	285	25	15
227	200	204	333	333	312
1,999	2,022	1,967	2,065	2,092	2,256
\$ 38,617	\$ 44,878	\$ 18,459	\$ 20,343	\$ 30,082	\$ 29,137
\$ 17,264	\$ 7,661	\$ 19,304	\$ 25,515	\$ 30,257	\$ 24,063
1,320	754	948	2,130	2,217	2,328
560	625	597	641	665	836
323	256	237	313	564	1,458
25	25	15	67	43	62
163	205	198	293	210	157
175	231	159	170	215	297
218	192	198	175	224	310
55	55	80	153	139	125
105	86	96	88	91	130
113	124	98	105	137	191
123	120	167	136	276	332
N/A	N/A	N/A	N/A	N/A	N/A

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Crimes Reported:				
Arson	-	-	1	1
Burglary - Commercial	10	4	9	13
Burglary - Residential	19	14	7	19
Burglary - Vehicle	63	64	69	85
Criminal Mischief	45	36	67	58
Disorderly Conduct	34	16	12	10
Domestic Disturbance	139	202	334	355
False Information to Police	10	9	3	31
Felony Assault	1	2	2	6
Felony Theft	139	132	101	111
Forgery/Fraud	45	72	62	46
Harassment	273	140	97	92
Identity Theft	8	1	12	20
Indecent Exposure	1	3	2	1
Kidnapping	-	-	-	-
Menacing	14	9	14	11
Misdemeanor Assault	12	9	10	15
Misdemeanor Theft	135	134	180	192
Murder/Attempted Murder	5	2	-	1
Other Death Investigations	46	-	29	35
Public Intoxication	50	78	37	15
Public Lewdness	1	5	2	1
Receiving Stolen Property	2	6	7	3
Reckless Endangerment	1	7	7	11
Resisting Arrest	13	10	4	1
Robbery	1	-	3	5
Sex Crime Investigations	29	21	7	10
Suicide	4	2	-	-
Suicide, Attempted	15	29	46	28
Theft of Services	4	8	3	32
Unauthorized Use of Services	5	-	3	9
Weapon Offenses	6	16	57	55

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR						
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	
-	1	-	-	-	-	-
7	16	15	17	21	42	
39	52	30	59	48	51	
117	156	162	148	78	120	
70	61	56	53	48	62	
23	19	9	6	4	10	
381	408	198	120	109	127	
20	4	11	15	14	11	
4	5	4	5	4	6	
149	173	136	135	133	134	
87	52	6	-	-	-	
125	96	78	56	63	43	
24	22	5	5	6	17	
3	5	2	2	-	2	
-	1	-	-	-	-	
10	8	8	6	7	4	
18	24	7	11	30	13	
263	203	192	174	217	170	
1	1	-	-	-	1	
22	24	12	3	-	6	
23	21	16	19	10	6	
2	5	1	2	-	1	
11	11	7	7	8	7	
8	7	7	4	15	5	
11	9	8	8	13	11	
4	15	14	7	5	6	
9	14	4	4	8	10	
6	1	-	-	-	-	
27	25	14	-	-	6	
7	6	20	3	-	-	
12	9	4	5	14	8	
9	34	32	12	16	8	

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Fire Department:				
Suppression:				
Fire / Explosion:				
Structure Fires	45	47	45	45
Vehicle Fires	27	17	17	15
Brush Fires/Trash Fires	27	28	21	24
Fire, Other	2	2	3	3
Medical Assists**	774	805	652	429
Motor Vehicle Collisions**	362	356	349	294
Emergency Medical Calls	1,797	1,560	1,834	1,673
Hazardous Conditions	161	147	131	94
Public Service Assistance	360	367	351	289
Unauthorized Burning**	9	18	24	19
Other Rescues **	14	10	8	6
EMS Standby **	14	12	9	9
Animal Rescues**	8	3	1	5
False Calls	454	428	469	311
Fire Alarm Activations**	425	345	308	298
Other Incidents	12	11	14	17
Total Mutual Aid Given **	98	107	118	64
Fire Prevention Awareness & Education:				
Classes Held	26	5	-	-
Persons Attending	2,071	86	-	-
Bureau of Fire Prevention:				
Plan Reviews	70	52	45	44
Final / Certificates of Occupancy	23	13	13	9
General / Annual Inspections	1,202	1,184	869	920
Business Licenses	80	75	126	114
Consultations	60	40	36	-
All Other / Miscellaneous Activity	165	150	142	110
Miscellaneous Reporting:				
Training Hours	19,076	20,883	16,859	13,537
Property Loss (\$\$)	\$ 205,550	\$ 384,550	\$ 1,490,750	\$ 1,438,676
Personnel & Civilian Injuries by Fire:	2	-	2	2
Advanced Life Support Rescues**	N/A	N/A	N/A	N/A
Number of Patients Treated:	2,080	1,883	2,126	1,975
Child Passenger Safety Seat Inspections & Installs:	39	52	56	82

** Changes in report tracking were made in FY 2020 resulting in both the addition and/or consolidation of categories

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
31	41	33	34	39	37
12	17	13	14	26	22
12	30	30	12	21	24
6	12	6	12	13	19
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2,563	2,486	2,230	2,285	2,077	1,981
57	94	64	45	37	45
238	198	220	198	167	180
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
567	541	483	425	451	443
N/A	N/A	N/A	N/A	N/A	N/A
15	2	2	9	2	2
N/A	N/A	N/A	N/A	N/A	N/A
253	283	343	293	150	48
5,756	4,698	4,334	3,451	1,165	686
30	49	46	36	20	24
9	16	25	14	15	7
1,028	911	743	711	992	523
428	94	304	275	61	84
258	310	89	77	-	-
117	48	56	52	158	188
2,357	4,061	6,350	5,325	4,530	4,684
\$ 943,650	\$ 2,227,000	\$ 431,950	\$ 615,153	\$ 1,980,630	\$ 1,489,315
-	2	-	-	-	-
1,788	2,040	1,830	1,212	1,611	1,444
2,127	2,369	2,151	1,523	2,018	1,945
157	128	106	211	169	115

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Building Inspection:				
Permits:				
Building Permits:				
Non-Residential	94	110	90	77
Residential	720	1,010	1,180	1,041
Electrical Permits:				
Non-Residential	30	30	48	29
Residential	144	240	237	111
Electrical Permits - New Construction:				
Non-Residential	33	67	-	22
Residential	236	329	544	525
Land Disturbance Permits:				
Residential	185	302	378	348
Mechanical Permits:				
Non-Residential	26	38	25	23
Residential	291	241	236	142
Mechanical Permits - New Construction:				
Non-Residential	43	40	15	18
Residential	280	433	492	497
Plumbing Permits:				
Non-Residential	10	8	29	25
Residential	61	42	66	40
Plumbing Permits - New Construction:				
Non-Residential	27	62	-	15
Residential	202	470	557	598
	<u>2,382</u>	<u>3,422</u>	<u>3,897</u>	<u>3,511</u>
Inspections:				
Building Permit	2,422	3,225	3,938	3,657
Electrical Permit	584	546	289	168
Land Disturbance Permit	-	-	-	-
Mechanical Permit Inspections	127	68	105	54
Mechanical - New Construction Permit Inspections	-	-	-	-
Plumbing and Gas Permit Inspections	667	989	1,171	917
	<u>3,800</u>	<u>4,828</u>	<u>5,503</u>	<u>4,796</u>
Environmental Inspections:				
Site Containment - Permitted	1,961	2,432	3,683	1,947
Site Containment - All Other	73	12	-	11
Total # of Environmental Inspections	<u>2,034</u>	<u>2,444</u>	<u>3,683</u>	<u>1,958</u>

*New software was fully implemented in FY 2020, resulting in changes in tracking categories

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
103	103	99	84	70	50
989	723	640	548	451	482
57	73	52	55	48	38
104	92	171	131	58	47
-	-	-	-	-	-
284	186	223	187	170	155
128	273	26	88	97	92
49	37	58	38	29	26
109	79	60	63	57	54
-	-	-	-	-	-
229	218	212	185	166	148
39	46	40	41	29	20
46	68	31	38	40	46
-	-	-	-	-	-
276	204	209	199	57	155
2,413	2,102	1,821	1,657	1,272	1,313
3,325	3,296	3,605	3,444	3,196	3,217
305	310	422	375	271	264
194	17	16	33	-	28
52	50	43	43	36	58
155	194	186	164	151	155
534	649	529	490	450	454
4,565	4,516	4,801	4,549	4,104	4,176
1,109	1,043	1,679	1,702	863	857
309	273	125	404	321	301
1,418	1,316	1,804	2,106	1,184	1,158

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Public Works:				
Asphalt Street Repairs:				
Asphalt Used (tons)	21	47	46	46
Repairs (# of repairs)	151	159	111	76
Street Sweeping:				
Miles Swept	2,936	3,044	711	65
Dredge:				
Materials Removed/Dredged (yards)	-	-	42	107
Storm Drain & Heavy Equipment:				
Drains Cleaned (# of Jobs)	103	430	155	113
Materials Hauled (cubic yards)	100	49	127	100
Solid Waste:				
Waste Removed (tons)	9,682	10,566	10,292	11,631
Recycled (tons)	133	77	14	120
Special Events	8	8	7	-
Trash Division:				
Trash Picked Up (tons)	8,403	7,887	9,706	6,505
Pay Pile Loads	140	190	9	47
Recreation:				
Tournament Events & Participants:				
Adult Softball:				
No. of Events	4	4	8	12
Participants	500	500	750	300
Girls Fast pitch Softball:				
No. of Events	5	10	10	12
Participants	1,500	3,850	4,000	4,320
Soccer:				
No. of Events	6	6	8	5
Participants	5,000	5,500	7,000	6,400
Baseball				
No. of Events	17	16	7	8
Participants	8,500	7,000	750	3,800
Football				
No. of Events	5	4	4	6
Participants	3,000	2,500	2,500	1,500
Lacrosse:				
No. of Events	5	6	3	2
Participants	675	1,000	450	250

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
71	343	331	679	653	580
90	89	155	335	958	12
585	865	671	1,337	1,183	1,813
-	25	-	750	728	980
138	109	139	189	105	172
-	22	1,270	1,400	998	1,340
7,377	7,294	7,124	6,929	6,597	6,533
1,941	1,836	1,867	2,009	2,020	3,045
4	4	5	5	5	6
5,400	4,401	3,565	4,873	4,633	4,008
16	25	12	12	10	22
15	24	14	19	19	18
1,450	2,700	1,500	1,200	2,200	1,750
16	17	13	15	12	14
6,500	7,100	5,200	6,000	4,950	5,800
8	7	10	11	10	9
10,000	9,400	1,300	1,400	1,300	1,200
5	3	3	4	1	1
1,500	275	250	350	110	140
5	4	4	4	1	1
2,400	2,000	1,400	1,400	750	480
2	2	2	2	2	1
300	300	300	700	300	140

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Recreation (continued):				
League Participants by Sport:				
Youth Soccer	515	450	475	700
Youth Football	195	200	123	125
Youth Cheerleading	125	100	50	60
Fall Men's Open Softball	160	140	126	120
Fall Co-Ed Softball	120	100	112	100
Fall Adult Soccer	80	75	70	-
Dixie Youth Baseball (ages 5-12)	450	425	358	403
Dixie Boys Baseball (ages 13-14)	36	40	45	40
Youth Softball	125	135	100	110
Youth Spring Soccer	325	350	300	300
Spring Adult League Softball	150	160	145	130
Spring Co-Ed Softball	80	75	110	120
Spring Adult Soccer	80	115	115	120
Summer Men's Open Softball	-	-	195	150
Summer Co-Ed Softball	-	-	125	130
Summer Adult Soccer	-	100	115	-
Youth Basketball	240	265	193	193
Fall Basketball	-	-	164	-

Library

Patrons Visits	124,324	102,903	88,796	83,952
Items Circulated	289,789	299,846	290,796	328,815
Children's Program Attendance	7,096	5,214	4,762	3,939
Teen Program Attendance	2,288	1,940	1,394	273
Adult Program Attendance	1,317	804	203	122
Computer Users	9,408	15,920	2,470	2,660
Ancestry Database Users	5,168	3,600	1,930	2,863
Heritage Quest Database Users	295	338	492	408
E-Books Circulation	37,141	36,473	26,382	29,938
Reference Questions Answered	1,374	1,690	887	709
Meeting Rooms Use Hours	5,803	4,277	714	6,701

Source: Various City Departments

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
850	750	825	850	760	790
175	210	210	205	195	199
75	85	65	46	45	50
215	230	240	250	275	255
120	130	150	150	150	165
105	110	80	140	115	120
400	450	475	443	500	480
30	46	50	35	50	60
115	95	85	135	115	120
360	350	410	420	350	375
-	255	175	190	240	270
-	150	180	170	160	180
95	100	90	100	110	90
-	250	240	600	400	435
-	200	190	200	225	210
-	100	90	100	110	110
-	-	180	187	-	-
-	-	190	191	-	-
<hr/>					
142,272	148,820	201,490	203,607	274,619	262,786
375,398	361,688	331,803	368,275	431,305	443,471
6,497	5,842	10,734	10,333	6,756	5,800
613	612	975	1,428	1,251	1,158
431	664	415	256	664	167
12,430	14,058	18,832	26,739	31,176	25,537
2,499	3,394	12,030	6,489	7,106	7,612
1,168	1,160	2,738	1,525	1,957	1,204
30,428	23,274	20,809	20,809	18,215	15,802
1,594	1,319	1,691	1,512	1,175	25,822
13,237	13,528	20,098	18,247	11,003	7,363

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	FISCAL YEAR			
	FY 2023	FY 2022	FY 2021	FY 2020
Public Safety:				
Fire:				
Number of Fire Stations	5	5	5	4
Number of Fire Trucks	10	9	9	8
Number of All Other Vehicles	13	12	12	12
Police:				
Number of Police Stations	2	2	2	2
Number of Police Units	77	74	62	60
Public Works:				
Miles of Streets (maintained by the City)	184.2	182.2	176.6	164.7
Number of Signalized Traffic Intersections ⁽¹⁾	9	9	9	9
Number of Vehicles	44	45	37	36
Number of Sanitation Trucks	17	17	16	14
Culture and Recreation:				
Parks	19	19	18	18
Dog Parks	1	1	1	1
Fitness Center	1	1	1	1
Senior Center	1	1	1	1
Library	1	1	1	1
Number of Vehicles	10	10	8	8

⁽¹⁾ All other traffic lights throughout the City are maintained by the State of Alabama

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
4	4	4	4	4	4
8	8	8	8	8	7
11	13	14	13	14	14
2	2	2	2	2	2
65	66	61	60	58	62
164.7	143.0	139.8	139.8	138.7	137.5
9	9	9	9	9	10
36	34	38	40	55	54
15	14	17	18	9	9
17	17	17	17	17	16
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
8	7	7	8	9	9