

City of Alabaster, Alabama
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

Published by

Finance Department

City of Alabaster, Alabama
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	4
Certificate of Achievement for Excellence in Financial Reporting	7
Organizational Chart.....	8
Elected and Appointed Officials	9
Ward Map of the City of Alabaster, Alabama.....	10

FINANCIAL SECTION

Independent Auditors' Report	11
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	25
Statement of Activities.....	27
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes In Fund Balances to the Statement of Activities	31
Statement of Proprietary Fund Net Position	32
Statement of Revenues, Expenses and Changes in Proprietary Fund Net Position	33
Statement of Proprietary Fund Cash Flows	34
Notes to Financial Statements	36

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual - General Fund	67
Schedule of Changes in the Net Pension Liability and Related Ratios	68
Schedule of Employer Contributions - Pension	69
Schedule of Changes in the Total OPEB Liability and Related Ratios	70
Notes to Required Supplementary Information.....	71

SUPPLEMENTARY INFORMATION

Combining Balance Sheets – Nonmajor Governmental Funds	75
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Projects Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Debt Service Fund.....	78
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Seven Cent Gas Tax Fund	79

City of Alabaster, Alabama
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

TABLE OF CONTENTS

Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Four Cent Gas Tax Fund.....	80
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Ten Cent Gas Tax Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Corrections Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Municipal Training Fund.....	83
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Library State Aid Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual – Municipal Judicial Fund	85
Schedule of Revenues, Expenses and Changes in Net Position -	
Budget and Actual – Sewer Fund.....	86
Schedule of Revenues, Expenses and Changes in Net Position -	
Budget and Actual – Garbage Fund	87
 STATISTICAL SECTION	
Guide to Statistical Tables	89
Financial Trends	
Net Position by Component.....	90
Change in Net Position.....	91
Fund Balances of Governmental Funds	94
Changes in Fund Balances of Governmental Funds.....	95
Revenue Capacity	
Sales Tax Revenue Payers by Category	96
Direct and Overlapping Sales Tax Rates.....	97
Principal Sales and Use Taxpayers	98
Debt Capacity	
Ratios of Outstanding Debt by Type	99
Ratios of Net General Bonded Debt Outstanding.....	100
Direct and Overlapping Governmental Activities Debt	101
Legal Debt Margin Information.....	102
Demographic and Economic Information	
Demographic and Economic Statistics.....	103
Principal Employers.....	104
Operating Information	
Full-time Equivalent City Government Employees by Function	105
Operating Indicators by Function/Program.....	106
Capital Asset Statistics by Function/Program	107



March 11, 2024

The City Council and
The Citizens of
The City of Alabaster
Alabaster, Alabama

The Annual Comprehensive Financial Report (ACFR) of The City of Alabaster (the City), for the fiscal year ended September 30, 2023, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the government and its component units. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

As required by state law, an annual audit of the City's financial statements is conducted in accordance with established standards. Truitt, Tingle, Paramore, & Argent, Certified Public Accountants, has issued an unmodified opinion on the City's financial statements for the year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report located in the Financial Section of this report.

Profile of the Government

The City of Alabaster, Alabama was incorporated in 1953 and is the largest city located entirely within Shelby County. It serves a population of approximately 33,285 and occupies 20.6 square miles. The City is governed by a Mayor-Council form of government. The Mayor is elected at-large to serve a four-year term. Each of the seven city councilors are elected from seven single member wards for terms of four years. The Council is presided over by a president who is chosen by the council members and is also a voting member of the Council.

The Mayor is the chief executive officer of the City. The Mayor appoints, disciplines, and removes the heads of the City's various departments. These department heads are responsible for the operations of their respective departments.

The City provides a full range of services including general administration, police, fire protection, building inspections, licenses and permits, refuse collection, construction and maintenance of highways, streets, and related infrastructure, recreation and leisure activities, and cultural enrichment. The City evaluated various other entities within the vicinity of the City, which could possibly be subject to inclusion in the financial statements under criteria established to define the reporting entity and its component units. In the Financial Section, Notes to the Financial Statements, Note 1 discusses the reporting entity as well as the City's component units and why they are included in the City's financial reporting.



The annual budget serves as the City's guide for financial planning and control. The Mayor submits a budget to City Council and the budget is legally adopted by resolution prior to October 1 of each year. Budgetary control is maintained at the department level. Departmental capital purchases and new personnel positions included in the budget are subject to further justification and approval by Council prior to beginning the requisition or hiring process. Budgets for all funds lapse at the end of each fiscal year.

In March of 2021 Governor Kay Ivey signed into law Act 2021-157 which will move municipal elections off of the year of presidential elections. As part of the bill, the current elected officials will now serve until November of 2025 instead of November 2024, giving each elected official elected in the 2020 municipal elections an extra year to serve.

Local Economy

Over the years, Alabaster has become a major retail trade area and major medical hub for Shelby County and the City of Alabaster continued to show economic growth during the current year. Alabaster enjoys a strong sense of community ownership and responsibility among City officials and local citizens, resulting in active community participation and involvement in all current City projects and issues.

Alabaster and other cities within Shelby County enjoy lower than average unemployment due to many stable service, health, and manufacturing employers in the area. At fiscal yearend, per the Alabama Department of Labor, the unemployment rate for Shelby County was 1.9% while the average unemployment rate for the entire state was 2.2%.

On occasion, the City will offer tax abatements to incentivize development and economic growth within the City. Currently the City has 3 property tax abatements and 4 sales and use tax abatements with various developers. See Note 13 of the financial statements for details regarding abatements and the amount of taxes abated for each project. Although the City has no formalized policies governing tax abatements, tax abatements are generally only offered to developments that bring new types of businesses to the area, that bring businesses to the area that citizens have requested, or to encourage significant expansion of business within the City.

The general fund accounts for day-to-day activity for the City and includes all activity not assigned to special purpose funds. The three major sources of revenue for the general fund are sales and use tax, property tax, and business licenses. Sales and use tax revenues are generated primarily by retail sales and have increased by 11.8% over the past year. Property taxes are based on the assessed value of property within the City and increased 12.4% over the past year. Business licenses are generally based on the gross receipts of businesses within the City and have remained unchanged compared with the prior year.

During the past year, general fund expenditures for public safety have increased 8.5% and general fund expenditures for public ways and facilities have increased 9.8%. The City remains committed to providing the necessary services to citizens in the most efficient and cost-effective manner available. The City had \$21.120 million in capital improvement expenditures paid out of the governmental funds. Payments to the Alabaster Board of Education represent 18.2% of all general fund expenditures for the current fiscal year. The City remits 1% of all City imposed sales and use tax collected by the City to the Alabaster Board of Education to help maintain an elite school system within the community.

Relevant Financial Policies

The City of Alabaster strives to maintain an up-to-date set of comprehensive financial policies. New Governmental Accounting Standards Board (GASB) pronouncements are closely analyzed to determine any impact to the City's financial reporting requirements and proactive steps are taken to ensure implementation guidelines are followed and deadlines are met.



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 and that the valuation of the costs and benefits requires estimates and judgments by management. We believe that the City's internal controls over financial reporting adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Management will continue to implement policies and procedures that improve and strengthen internal controls.

Long-Term Planning and Major Initiatives

Unrestricted fund balance (the total of committed and unassigned component of fund balance) in the General Fund as of year end was \$13,266,561, representing 34.3% of total General Fund expenditures for the current fiscal year. The Mayor, City Council, City Administrator, and Department Heads continue to strive to adhere to the City's goals in planning for continued growth and maintaining quality of life and the highest level of governmental services to all residents of the City. The City plans to accomplish these goals through continued infrastructure improvements, fostering economic development, and providing excellent government services with maximum efficiency and fiscal responsibility.

Awards

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 Alabaster, Alabama for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the sixth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the annual comprehensive financial report could not be accomplished without the dedicated services of the Finance Department staff as well as all City Departments who practice fiscal responsibility and assist in collecting and recording financial data in an accurate and timely manner. We would like to express our appreciation to all City staff who assisted and contributed to the preparation of this report.

The Commitment to maintaining the highest standards of accountability in financial reporting speaks to the leadership and dedication of the Mayor and City Council. Their support to financial integrity has been instrumental in the preparation of this report.

Respectfully submitted,

John Haggard

John Haggard, CPA, CGFM
Finance Director / Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

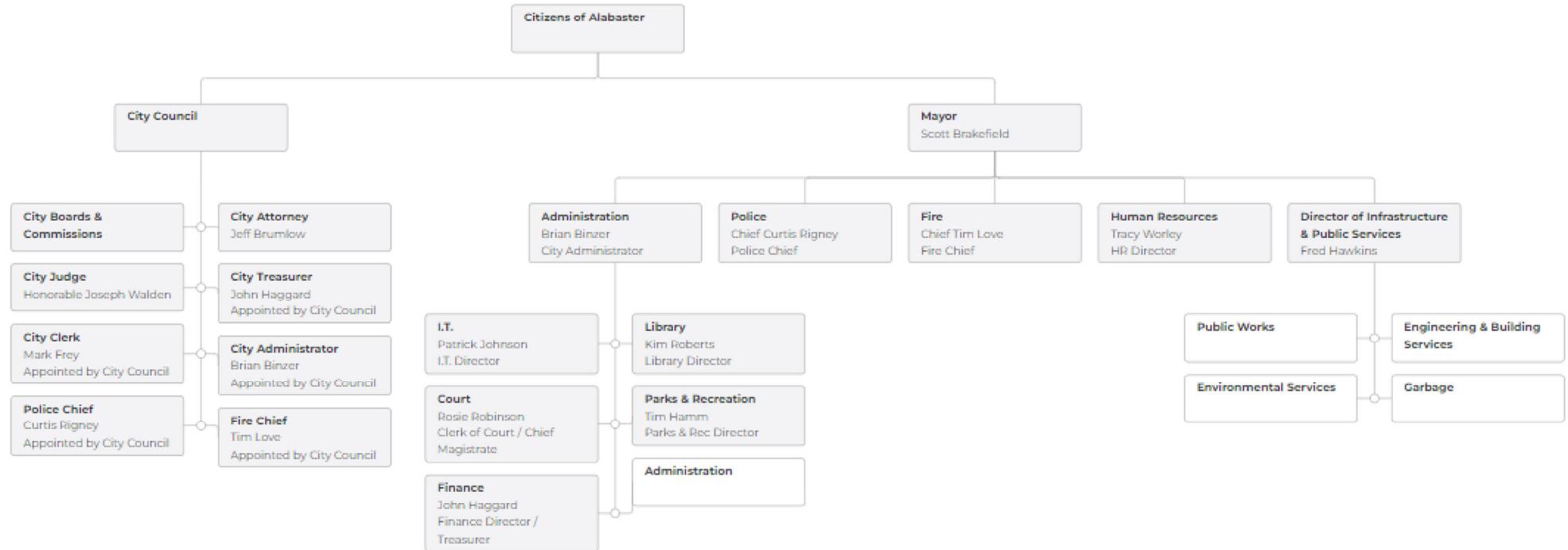
**City of Alabaster
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Monell

Executive Director/CEO



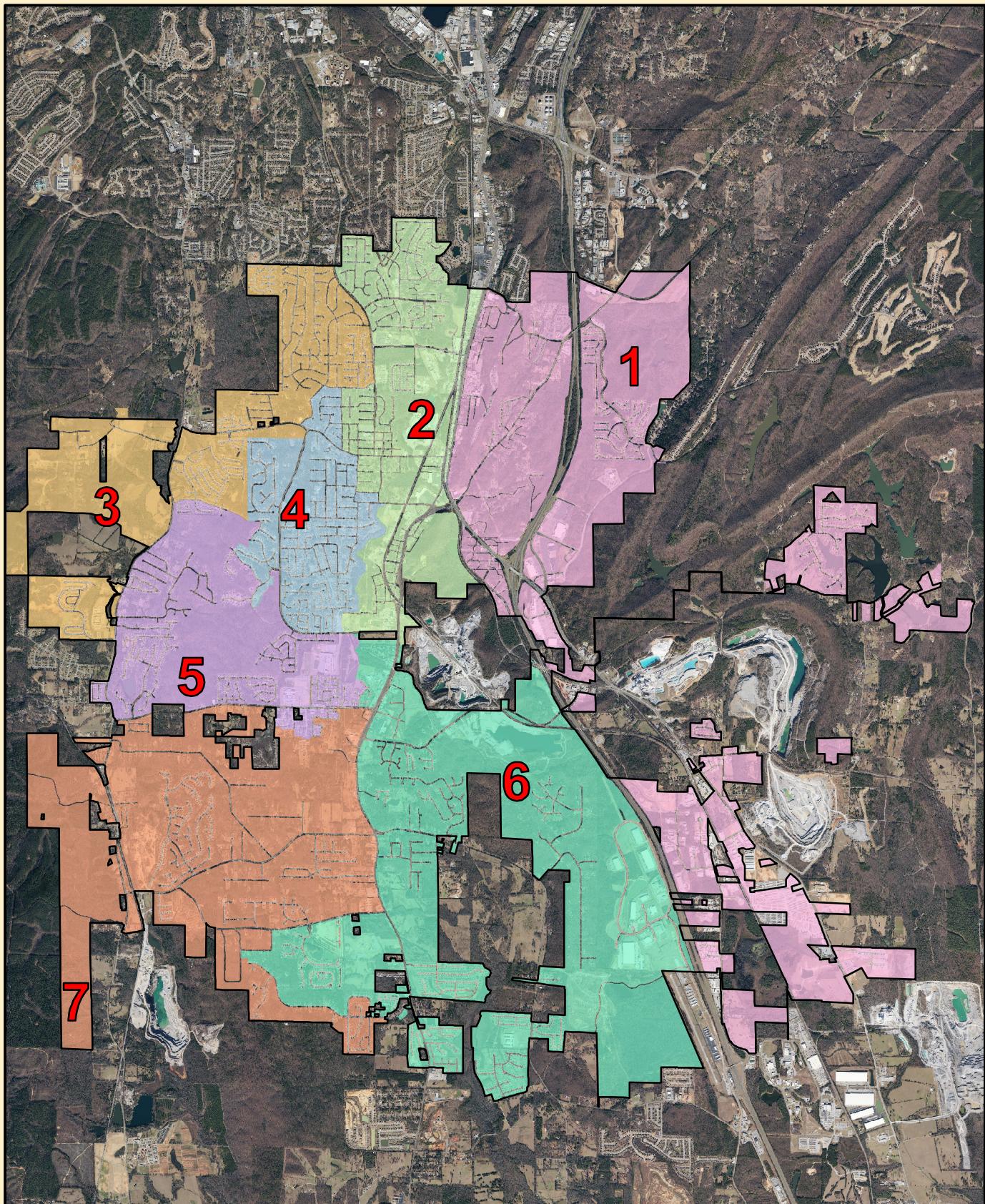
City of Alabaster, Alabama
Elected and Appointed Officials
September 30, 2023

Elected Officials

Mayor	Scott Brakefield
City Council - Ward 1, Council President	Sophie Martin
City Council - Ward 2	Rick Ellis
City Council - Ward 3	Stacy Rakestraw
City Council - Ward 4, President Pro-Temp	Greg Farrell
City Council - Ward 5	Jamie Cole
City Council - Ward 6	Zach Zahariadis
City Council - Ward 7	Kerri Pate

Appointed Officials

City Administrator	Brian Binzer
City Clerk	J. Mark Frey
Chief of Police	Curtis Rigney
Fire Chief	Tim Love
Treasurer	John Haggard



Alabaster

"A City for Families, Planning for the Future"

Ward Map

0 0.25 0.5 1 1.5 2 Miles





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
The City of Alabaster, Alabama

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgement 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in the net pension liability, schedule of employer contributions and the schedule of changes in net OPEB liability information on pages 14-24 and 67-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient 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's basic financial statements. The accompanying combining nonmajor fund financial statements and budgetary comparison information for capital projects, debt service, American Rescue Plan Act, special revenue, and proprietary funds 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 nonmajor fund financial statements and budgetary comparison information for capital projects, debt service, American Rescue Plan Act, special revenue, and proprietary funds 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 auditors' 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.

Truitt Tingle Paramore & Argent, LLC

Birmingham, Alabama

March 11, 2024

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

As management of the City of Alabaster, Alabama, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Alabaster for the fiscal year ended September 30, 2023. We encourage users to read the information presented here in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$83.9 million.
- The Statement of Activities shows the Primary Government received taxes and other revenue of \$63.6 million and had expenses of \$54.4 million.
- The City's governmental funds reported a combined ending fund balance of \$36 million. This is \$11.7 million less than last fiscal year due to expenditures related to capital outlay.
- The City retired \$5.3 million of outstanding debt principal through scheduled debt service payments.
- The General Fund gave the Alabaster Board of Education \$7.1 million which represents the education portion of the sales tax collected.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

Government-wide Financial Statements (continued)

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

The business-type activities of the City include the sanitary sewer and sanitation operations. Both activities are collectively referred to in the financial statements as those of the primary government.

The government-wide financial statements can be found on pages 25 through 27 of this report.

Fund Financial Statements

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

Governmental Funds

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

The City maintains eleven individual governmental funds:

- The General Fund, the Capital Projects Fund, and the Debt Service Fund are considered major funds, and information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for these funds.
- The eight other governmental funds are considered nonmajor governmental funds and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements found on pages 75 and 76 of this report.

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

The basic governmental fund financial statements can be found on pages 28 through 30 of this report.

Proprietary Funds

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

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

- The Sewer Fund and the Garbage Fund are considered major proprietary funds of the City, and information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenses, and changes in net position for these funds.

The basic proprietary fund financial statements can be found on pages 32 through 35 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 36 through 65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City of Alabaster adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 67 through 73 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 75 through 76 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a government's financial position. Overall, the City's assets and deferred outflows of resources exceed liabilities by \$83.9 million at the close of the recent fiscal year. Of this figure, \$63.9 million represents the City's total investment in capital assets (i.e. land, buildings, improvements, infrastructure and other), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Alabaster, Alabama
 Management's Discussion and Analysis
 September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

An additional portion of the City's net position, \$15.7 million, represents resources that are subject to restrictions as to how they may be used. These are restrictions that are being imposed by legal requirements other than those imposed by the City Council (i.e. state or federal law). Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The deferred outflows and deferred inflows reflected on the City's financials are primarily related to the pension and other post-employment benefit (OPEB) obligations of the City. For more information on the City's pension and OPEB programs, see Note 8 in the notes to the financial statements.

The following table reflects the condensed Statement of Net Position:

	City of Alabaster Statement of Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Totals	
	For the Year Ended September 30,		For the Year Ended September 30,		For the Year Ended September 30,	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 46,518	\$ 57,160	\$ 27,291	\$ 31,794	\$ 73,809	\$ 88,954
Capital Assets	101,089	81,625	38,887	34,923	139,976	116,548
Total assets	147,607	138,785	66,178	66,717	213,785	205,502
Deferred outflows of resources	20,116	15,001	1,768	1,202	21,884	16,203
Long-term liabilities	102,042	96,633	25,717	26,308	127,759	122,941
Other liabilities	13,271	9,824	2,782	2,840	16,053	12,664
Total liabilities	115,313	106,457	28,499	29,148	143,812	135,605
Deferred inflows of resources	7,617	10,662	313	711	7,930	11,373
Net position						
Net investment in capital assets	32,432	30,531	28,539	28,599	60,971	59,130
Restricted	18,276	17,758	82	2,396	18,358	20,154
Unrestricted	(5,915)	(11,622)	10,513	7,065	4,598	(4,557)
Total net position	\$ 44,793	\$ 36,667	\$ 39,134	\$ 38,060	\$ 83,927	\$ 74,727

For more detailed information, see the Statement of Net Position on page 25 and 26.

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table reflects the revenue and expenses of the total primary government:

	City of Alabaster Statement of Activities (in thousands)						Totals	
	Governmental Activities		Business - type Activities					
	For the Year Ended September 30, 2023		For the Year Ended September 30, 2022		For the Year Ended September 30, 2023			
	2023	2022	2023	2022	2023	2022		
REVENUES								
Program Revenues								
Fees, fines, and charges for services	\$ 6,666	\$ 6,676	\$ 10,088	\$ 11,625	\$ 16,754	\$ 18,301		
Operating grants and contributions	588	6,454	-	-	588	6,454		
Capital grants and contributions	1,389	339	-	-	1,389	339		
General Revenues								
Sales taxes	33,431	29,912	-	-	33,431	29,912		
Property taxes	5,307	4,721	-	-	5,307	4,721		
Other taxes	1,952	1,846	-	-	1,952	1,846		
Interest income	1,061	77	567	21	1,628	98		
Other income (loss)	2,646	1,967	(47)	107	2,599	2,074		
Total Revenues	53,040	51,992	10,608	11,753	63,648	63,745		
EXPENSES								
General government	7,166	8,501	-	-	7,166	8,501		
Public protection	19,703	17,826	-	-	19,703	17,826		
Public ways and facilities	9,318	6,468	-	-	9,318	6,468		
Interest and fiscal agent fees	7,062	6,851	-	-	7,062	6,851		
Alabaster City Schools	1,892	1,613	-	-	1,892	1,613		
Sewer Fund	-	-	7,126	5,644	7,126	5,644		
Garbage Fund	-	-	2,181	1,881	2,181	1,881		
Total Expenses	45,141	41,259	9,307	7,525	54,448	48,784		
Excess (deficiency) before transfers & capital contributions	7,899	10,733	1,301	4,228	9,200	14,961		
Transfers	227	256	(227)	(256)	-	-		
Change in net position	8,126	10,989	1,074	3,972	9,200	14,961		
Beginning net position	36,667	25,678	38,060	34,088	74,727	59,766		
Ending net position	\$ 44,793	\$ 36,667	\$ 39,134	\$ 38,060	\$ 83,927	\$ 74,727		

For more detailed information, see the Statement of Activities on page 27.

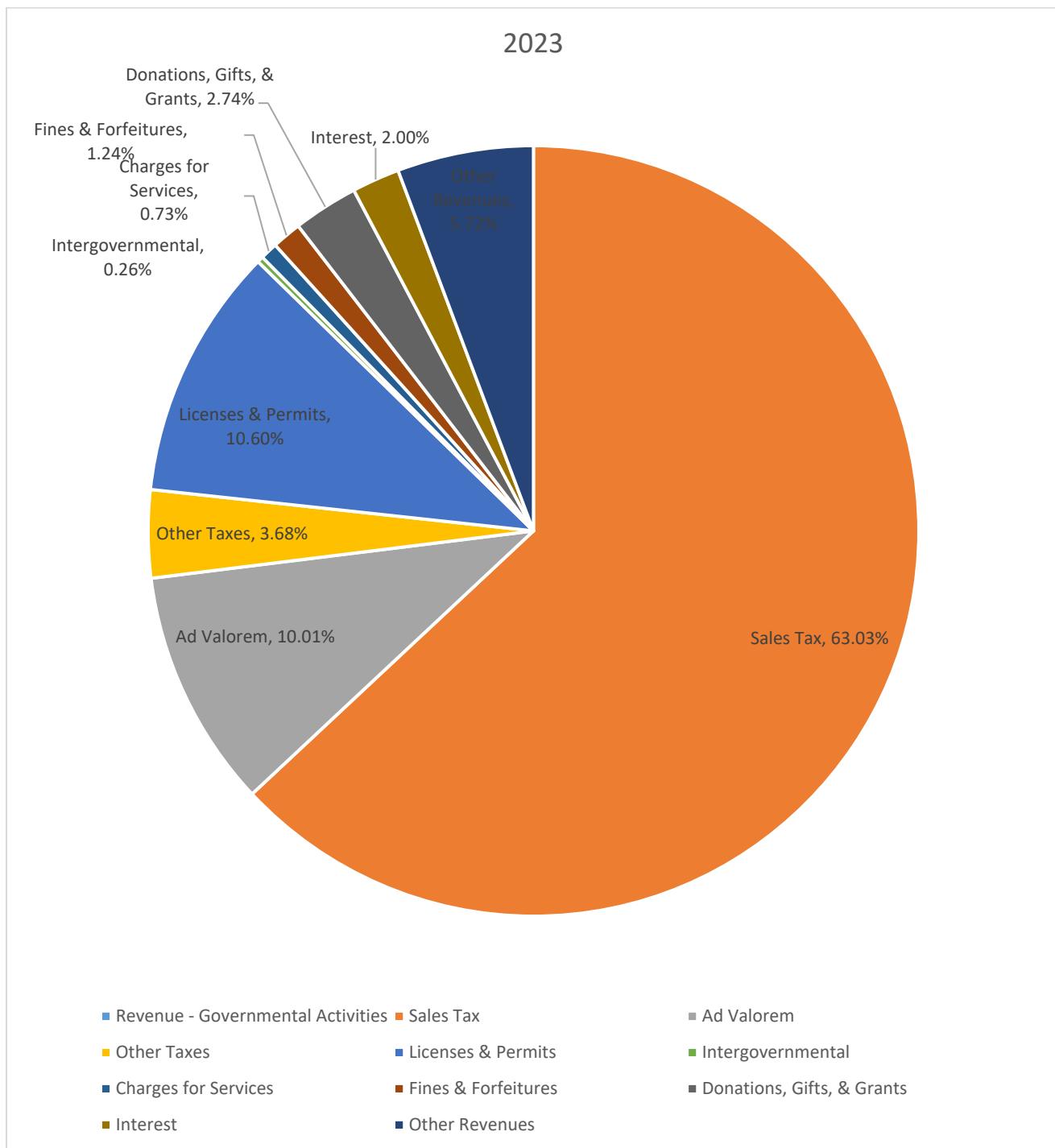
Governmental Activities

The City's governmental activities rely heavily on property taxes and sales taxes to support governmental operations. Property taxes provided 10.2% and sales taxes provided 64.5% of the City's total governmental revenues. Sales tax revenue increased by 12.0% from 2022. It should be noted that program revenues covered 19.2% of governmental operating expenses and the government's taxpayers and the City's other general revenues covered 80.8% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Revenue - Governmental Activities

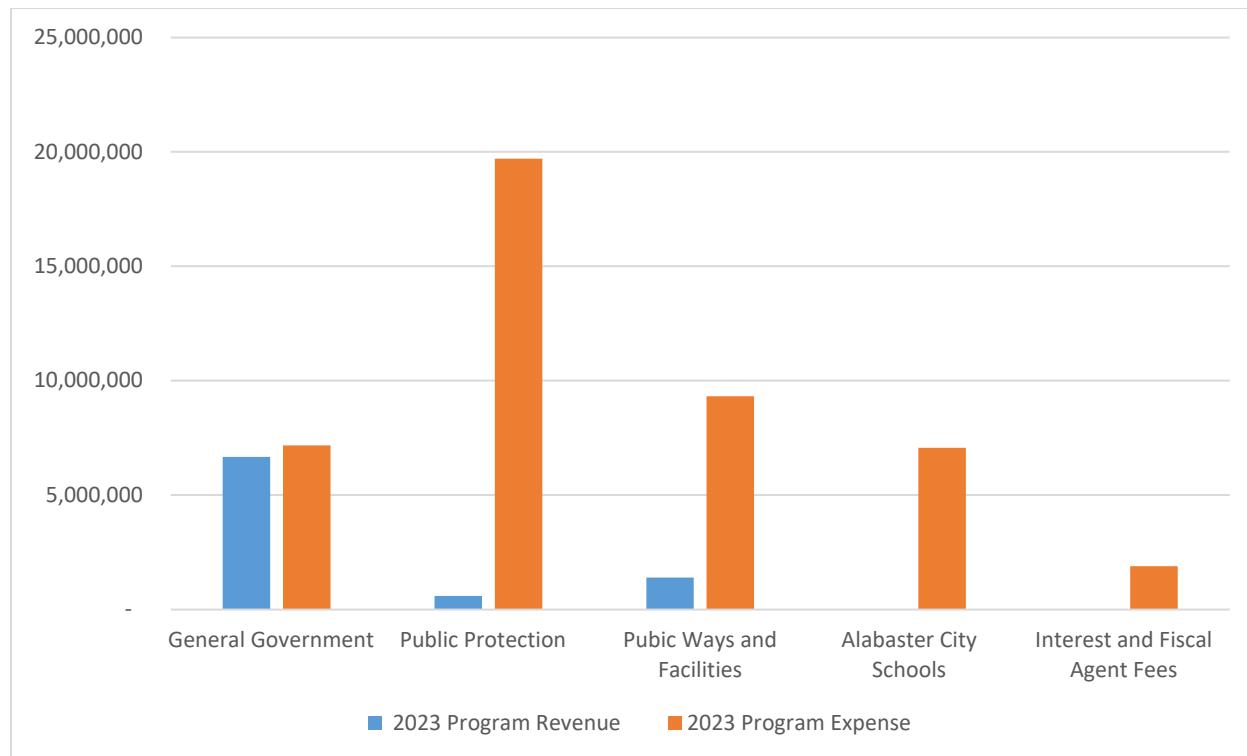


City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The most significant governmental expense for the City is providing public protection services such as fire and police protection. This comprised 43.6% of the total governmental expenses. Public protection expenses increased by \$1.9 million, or 10.5%, from 2022. The second largest cost incurred by the City for governmental activities is public ways and facilities, which is 20.6% of total governmental expenses. General government expenses decreased by \$1.3 million, or 15.7%, from 2022. The total cost of all government activities increased by \$3.8 million, while total revenues increased by \$1.0 million.

Program Revenue and Expenses - Governmental Activities

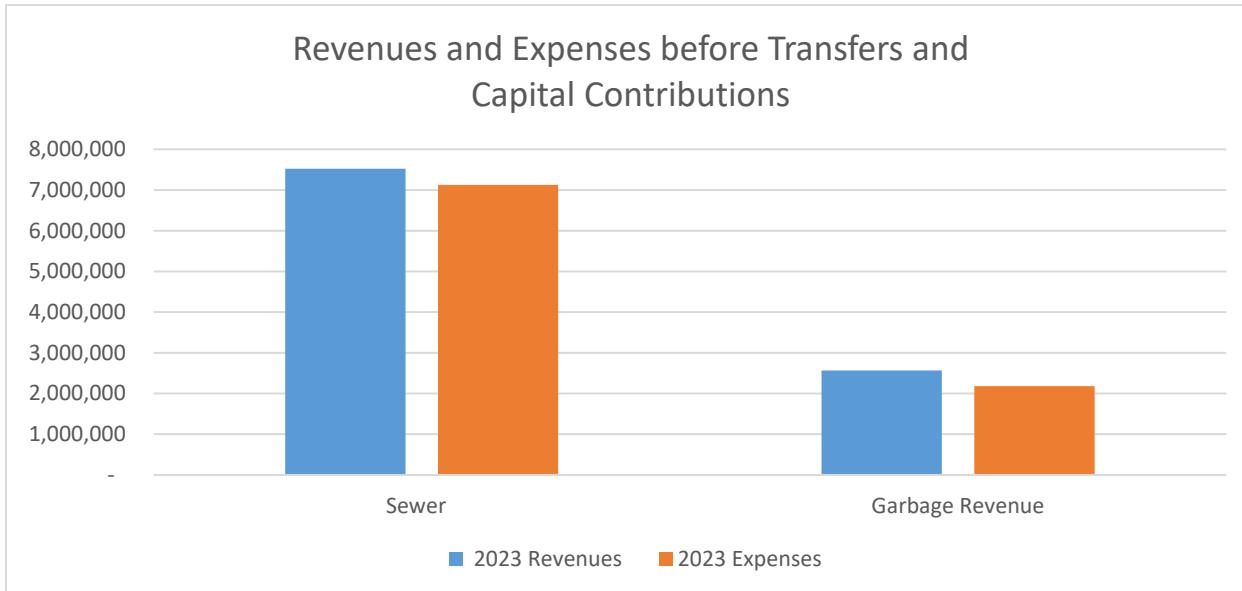


Business-Type Activities

The cost of all proprietary (business-type) activities was \$9.3 million, which is a \$1.8 million, or 23.7% increase from 2022. This increase was primarily due to capital investments made to both the sewer and garbage systems coupled with inflationary pressures on the cost of operating supplies.

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



The amount paid by users of the sewer and garbage services was \$10.1 million which was a 6% increase from the prior year. This increase is the result of a yearly rate adjustment tied to the year-over-year change in the consumer price index coupled with the addition of new customers to the system. Within the total business-type activities of the City, these activities reported change in net position of \$1 million, which is an decrease of 73.0% from 2022. The overall 2023 increase in net position is primarily attributable to revenue increases larger than expense increases. The City's business-type activities are currently preparing for major capital investments within the next 3 to 5 years.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds

The combined fund balance of the City's governmental funds decreased \$11.7 million in 2023. This decrease was primarily due to \$21.1 million in capital outlay expenditures. The total combined fund balance of the City's governmental funds as of September 30, 2023, was \$36.2 million. Of this amount, \$9.0 million consisted of unassigned fund balance. Nonspendable fund balance was \$244 thousand and fund balance that is committed, generally specified in council ordinances, totaled \$3.9 million. The remainder of the total fund balance totaled \$23.0 million, which was reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and other purposes or must be spent for specific purposes in the future as required by legal constraints.

Total revenues were \$52.0 million, an decrease of 0% from 2022. Sales tax revenue increased by \$3.5 million or 12.0%.

City of Alabaster, Alabama
Management's Discussion and Analysis
September 30, 2023

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Looking at each major governmental fund individually, the fund balance for the General Fund at September 30, 2023 was \$13.3 million, an increase of \$250 thousand from the prior year. This increase in fund balance was primarily attributable to a \$3.5 million increase in sales tax revenues offset by net transfers to other governmental funds. The fund balance at September 30, 2023 for the Capital Projects Fund was \$19.8 million, an decrease of \$9.8 million. The decrease was primarily attributable to capital outlay expenditures. The fund balance for the Debt Service Fund at September 30, 2023 was \$2.0 million, an \$85 thousand increase. The increase is attributable to transfers to the Debt Service Fund from the General Fund for the purpose of funding debt service payments not yet due at year-end.

Proprietary Funds

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

Net position of the Sewer Fund and Garbage Fund were \$33.7 million and \$5.4 million, respectively. The total growth in net position for the Sewer Fund and Garbage Fund was \$947 thousand and \$126 thousand respectively. The increase in net position for the Sewer Fund was primarily attributable to revenues exceeding expenses in the current year as prior year included a one-time settlement of approx. \$2 million. The increase in net position for the Garbage Fund was primarily attributable to a \$256k increase in revenues. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Alabaster's business-type activities.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

Budget to actual statements and schedules are provided in the financial statements for the general fund on page 67. Columns are provided for both the original adopted budget as well as the final budget. These budgets are followed by columns for actual revenues and expenditures and for variances between the final budget and actual revenues and expenditures.

As of September 30, 2023, actual revenues for the General Fund exceeded the final budgeted amounts by \$857 thousand or 1.7%. The primary reasons for this variance was that sales and use tax and a variety of other taxes exceeded budgeted amounts.

As of September 30, 2023, actual expenditures for the General Fund were less than the final budgeted amounts by \$517 thousand or 1.3%. The primary reasons for this variance was due to small favorable variances spread across the different departments in the City. 21.0% of all the City imposed sales and use tax proceeds are given by the City to the Alabaster Board of Education. The City budgeted for 21.0% of sales and use tax to be given to the City of Alabaster Board of Education in the current fiscal year.

City of Alabaster, Alabama
 Management's Discussion and Analysis
 September 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental and business-type activities as of September 30, 2023, totaled \$139.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure, sewer plant and equipment. For further information on capital assets (see Note 4) in the notes to the financial statements.

Major purchases for 2023 consisted of \$3.7 million to complete new police station, \$11.4 million to construct new and improve existing recreation facilities, \$3.7 million of road improvements, and \$5.5 million of sewer system improvements.

City of Alabaster Capital Assets (in thousands)

	Governmental Activities		Business - type Activities		Totals	
	For the Year Ended September 30,		For the Year Ended September 30,		For the Year Ended September 30,	
	2023	2022	2023	2022	2023	2022
Buildings and improvements	\$ 42,817	\$ 24,131	\$ 2,309	\$ 2,167	\$ 45,126	\$ 26,298
Equipment	4,672	4,271	24,601	24,301	29,273	28,572
Infrastructure	41,204	33,959	29,988	26,773	71,192	60,732
Vehicles	10,486	10,913	3,977	3,782	14,463	14,695
Land and improvements	20,230	19,055	1,330	946	21,560	20,001
Construction in progress	9,428	15,846	1,879	697	11,307	16,543
	128,837	108,175	64,084	58,666	192,921	166,841
Accumulated Depreciation	(27,748)	(26,550)	(25,197)	(23,743)	(52,945)	(50,293)
Total	\$ 101,089	\$ 81,625	\$ 38,887	\$ 34,923	\$ 139,976	\$ 116,548

Long-Term Debt

General obligation warrants are secured by the full faith and credit of the City and payable from the proceeds of various taxes. The City continues to maintain a high bond rating from Moody's Investors Service (Aa3) and Standard & Poor's (AA). Refer to Note 6 to the financial statements for additional information on long-term debt. As of September 30, 2023, the governmental activities had outstanding warrants totaling \$68.7 million and business-type activities had outstanding warrants totaling \$25.1 million.

City of Alabaster, Alabama
 Management's Discussion and Analysis
 September 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's total debt decreased by \$5.8 million during the current fiscal year. This decrease was due to making scheduled payments on debt service and issuing no new debt in 2023.

	City of Alabaster Long-Term Debt (in thousands)							
	Governmental Activities		Business - type Activities		Totals			
	For the Year Ended September 30,		For the Year Ended September 30,		For the Year Ended September 30,			
	2023	2022	2023	2022	2023	2022		
General obligation warrants	\$ 52,629	\$ 56,358	\$ 25,086	\$ 26,823	\$ 77,715	\$ 83,181		
Lease revenue bonds	16,118	16,491	-	-	16,118	16,491		
Total	\$ 68,747	\$ 72,849	\$ 25,086	\$ 26,823	\$ 93,833	\$ 99,672		

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the fiscal year ending September 30, 2023, the City of Alabaster has continued to show above average performance in comparison to national and state benchmarks. While the increase of online retailing through the State of Alabama's Simplified Sellers Use Tax (SSUT) remains a challenge due to a lower tax rate charged through this program than locally, low unemployment, expansion of local businesses, and continued growth in population has been able to offset any online retailing challenges in the current environment. When compared to benchmarks such as overall unemployment, tax growth, and home sales, Alabaster continues its' positive trend from the last decade. The City continues its' emphasis on retail, healthcare, industrial and residential sectors of the economy through responsible planning and the strategic use of incentive programs.

The City continues to contribute to the Alabaster Board of Education to create an excellent school system that will attract both new residents and economic development. The City continues to place emphasis on encouraging economic development within the City to help fund improvements and government services as well as provide increased quality of life for all residents.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances and to demonstrate accountability for the money it receives from taxpayers, customers, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Alabaster Finance Department, 1953 Municipal Way, Alabaster, Alabama 35007, by calling (205) 378-5721, or by sending an email to jhaggard@cityofalabaster.com.

City of Alabaster, Alabama

Statement of Net Position

September 30, 2023

	Primary Government			Component Unit
			Total	Commercial
	Governmental Activities	Business-type activities		Development Authority
Assets				
Current assets				
Cash and cash equivalents	\$ 10,364,841	\$ 4,898,934	\$ 15,263,775	\$ -
Certificates of deposit	1,206,176	4,753,012	5,959,188	-
Receivables, net	8,694,681	1,401,166	10,095,847	-
Other receivables	9,727	-	9,727	-
Prepaid expenses	243,630	4,376	248,006	-
Parts and supplies	-	1,246,426	1,246,426	-
Cash and cash equivalents - restricted	19,951,014	6,892,656	26,843,670	2,923
Certificates of deposit - restricted	6,047,874	8,094,647	14,142,521	-
Total current assets	<u>46,517,943</u>	<u>27,291,217</u>	<u>73,809,160</u>	<u>2,923</u>
Noncurrent assets				
Nondepreciable capital assets	29,657,927	3,209,242	32,867,169	-
Depreciable capital assets, net	71,431,598	35,677,817	107,109,415	-
	<u>101,089,525</u>	<u>38,887,059</u>	<u>139,976,584</u>	<u>-</u>
Total assets	<u>147,607,468</u>	<u>66,178,276</u>	<u>213,785,744</u>	<u>2,923</u>
Deferred outflows of resources				
Pension	10,822,275	1,177,051	11,999,326	-
Other post employment benefits	9,050,013	325,686	9,375,699	-
Deferred charge on refunding	243,872	264,801	508,673	-
Total deferred outflows of resources	<u>20,116,160</u>	<u>1,767,538</u>	<u>21,883,698</u>	<u>-</u>
Liabilities				
Accounts payable	3,358,518	342,329	3,700,847	-
Accrued payroll and benefits	478,209	70,850	549,059	-
Accrued interest payable	701,000	256,510	957,510	-
Due to other governments	1,090,753	-	1,090,753	-
Unearned revenue	13,585	-	13,585	-
Payable from restricted assets - cash bonds	248,578	-	248,578	-
Current maturities of long-term liabilities				
Warrants and bonds payable, net	4,174,357	1,679,636	5,853,993	-
Compensated absences	483,487	46,580	530,067	-
Total OPEB Liability	<u>2,722,472</u>	<u>386,167</u>	<u>3,108,639</u>	<u>-</u>
Total current liabilities	<u>13,270,959</u>	<u>2,782,072</u>	<u>16,053,031</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Net Position - Continued
September 30, 2023

	Primary Government			Component Unit Commercial Development Authority
	Governmental Activities	Business-type activities	Total	
Noncurrent liabilities				
Warrants and bond payables, net	64,572,773	23,406,237	87,979,010	-
Compensated absences	483,487	46,580	530,067	-
Total pension liability	19,587,173	1,895,115	21,482,288	-
Total OPEB Liability	17,399,269	369,541	17,768,810	-
Total noncurrent liabilities	102,042,702	25,717,473	127,760,175	-
 Total liabilities	 115,313,661	 28,499,545	 143,813,206	 -
Deferred inflows of resources				
Property taxes levied for subsequent year	5,084,773	-	5,084,773	-
Pension	2,102,620	292,483	2,395,103	-
Other post employment benefits	429,113	20,109	449,222	-
	7,616,506	312,592	7,929,098	-
Net position				
Net investment in capital assets	32,431,993	28,539,479	60,971,472	-
Restricted for:				
Debt service	1,859,834	71,864	1,931,698	-
Capital projects	15,925,228	9,827	15,935,055	2,923
Library	89,934	-	89,934	-
Public protection	297,328	-	297,328	-
Infrastructure maintenance	103,913	-	103,913	-
Unrestricted	(5,914,769)	10,512,507	4,597,738	-
 Total net position	 \$ 44,793,461	 \$ 39,133,677	 \$ 83,927,138	 \$ 2,923

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Activities
For the Year Ended September 30, 2023

Function/Programs	Expenses							Net (Expense) Revenue and Changes in Net Assets			
		Program Revenues			Primary Government			Component Unit			
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-type Activities	Total	Commercial Development Authority			
Primary government											
Governmental activities											
General government	\$ 7,166,245	\$ 5,749,680	\$ 27,829	\$ 1,388,561	\$ (175)	\$ -	\$ (175)	\$ -			
Public protection	19,703,393	513,355	137,505	-	(19,052,533)	-	(19,052,533)	-			
Public ways and facilities	9,318,059	403,243	422,260	908	(8,491,648)	-	(8,491,648)	-			
Alabaster City Schools	7,061,611	-	-	-	(7,061,611)	-	(7,061,611)	-			
Interest on long-debt	1,891,688	-	-	-	(1,891,688)	-	(1,891,688)	-			
Total primary government	45,140,996	6,666,278	587,594	1,389,469	(36,497,655)	-	(36,497,655)	-			
Business-type Activities											
Sewer	7,126,410	7,521,508	-	-	-	395,098	395,098	-			
Garbage	2,181,219	2,566,128	-	-	-	384,909	384,909	-			
Total Business-type Activities	9,307,629	10,087,636	-	-	-	780,007	780,007	-			
Total Primary Government	\$ 54,448,625	\$ 16,753,914	\$ 587,594	\$ 1,389,469	\$ (36,497,655)	\$ 780,007	\$ (35,717,648)	\$ -			
Component unit											
Commercial Development Authority	\$ 44,159	\$ -	\$ -	\$ 600,380	\$ -	\$ -	\$ -	\$ 556,221			
General revenues and other items											
Taxes:											
Sales					33,430,849	-	33,430,849	-			
Property					5,306,973	-	5,306,973	-			
Other					1,951,967	-	1,951,967	-			
Interest earnings					1,061,355	567,499	1,628,854	-			
Gain (loss) on disposal of capital assets					96,289	(47,455)	48,834	(1,006,103)			
Other revenue					2,549,629	-	2,549,629	100,000			
Transfers					226,800	(226,800)	-	-			
Total general revenues and other items					44,623,862	293,244	44,917,106	(906,103)			
Change in net position					8,126,207	1,073,251	9,199,458	(349,882)			
Net position - beginning of year, as originally reported					36,667,254	38,060,426	74,727,680	352,805			
Net position - end of year					\$ 44,793,461	\$ 39,133,677	\$ 83,927,138	\$ 2,923			

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Balance Sheet - Governmental Funds
September 30, 2023

	General	Capital Projects Fund	Debt Service Fund	Public Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 10,364,841	\$ -	\$ -	\$ -	\$ -	\$ 10,364,841
Certificates of deposit	1,206,176	-	-	-	-	1,206,176
Taxes receivable, net	8,694,681	-	-	-	-	8,694,681
Other receivables	-	-	-	-	9,727	9,727
Prepaid expenses	102,727	140,903	-	-	-	243,630
Restricted assets						
Cash and cash equivalents	713,686	15,925,235	1,985,607	575,227	751,259	19,951,014
Certificates of deposit	3,414,280	2,633,594	-	-	-	6,047,874
Due from other funds	271	3,835,572	-	-	-	3,835,843
Total assets	<u>\$ 24,496,662</u>	<u>\$ 22,535,304</u>	<u>\$ 1,985,607</u>	<u>\$ 575,227</u>	<u>\$ 760,986</u>	<u>\$ 50,353,786</u>
Liabilities						
Accounts payable	\$ 641,988	\$ 2,696,831	\$ -	\$ -	\$ 19,699	\$ 3,358,518
Accrued payroll and benefits	478,209	-	-	-	-	478,209
Due to other governments	1,090,753	-	-	-	-	1,090,753
Due to other funds	3,835,572	-	-	-	271	3,835,843
Unearned revenue	13,585	-	-	-	-	13,585
Payable from restricted assets - cash bonds	85,221	-	-	-	163,357	248,578
Total liabilities	<u>6,145,328</u>	<u>2,696,831</u>	<u>-</u>	<u>-</u>	<u>183,327</u>	<u>9,025,486</u>
Deferred inflows of resources						
Property taxes levied for subsequent year	<u>5,084,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,084,773</u>
Total deferred inflows of resources	<u>5,084,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,084,773</u>
Fund balance (deficit)						
Nonspendable						-
Prepaid expenses	102,727	140,903	-	-	-	243,630
Restricted for						
Debt service	-	-	1,985,607	575,227	-	2,560,834
Capital improvements	-	19,697,570	-	-	264,255	19,961,825
Library	89,861	-	-	-	73	89,934
Public protection	87,910	-	-	-	209,418	297,328
Infrastructure maintenance	-	-	-	-	103,913	103,913
Committed for						
City Board of Education	533,712	-	-	-	-	533,712
Alabaster reserve fund	3,416,483	-	-	-	-	3,416,483
Unassigned	9,035,868	-	-	-	-	9,035,868
Total liabilities and fund balance	<u>\$ 24,496,662</u>	<u>\$ 22,535,304</u>	<u>\$ 1,985,607</u>	<u>\$ 575,227</u>	<u>\$ 577,659</u>	<u>\$ 50,353,786</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2023

Total fund balances - governmental funds	\$ 36,243,527
Amounts reported for governmental activities in the statement of net position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	128,837,195
Less accumulated depreciation	<u>(27,747,670)</u>
	101,089,525
Deferred outflows and deferred inflows related to the net pension liability and other post employment benefit payable are not reported in the governmental funds	
Deferred outflows related to pension	10,822,275
Deferred outflows related to OPEB	9,050,013
Deferred inflows related to pension	<u>(2,102,620)</u>
Deferred inflows related to OPEB	<u>(429,113)</u>
	17,340,555
Long-term liabilities, including warrants payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Warrants payable	(50,320,000)
Lease revenue bonds	(15,385,000)
Discounts (premiums)	(3,042,130)
Deferred charges on refunding	243,872
Total pension liability	<u>(19,587,173)</u>
Total OPEB liability	<u>(20,121,741)</u>
Compensated absences	<u>(966,974)</u>
	(109,179,146)
Interest payable is not recognized as an expenditure in governmental funds, but rather is recognized when an expenditure is paid.	
	<u>(701,000)</u>
Total net position - governmental activities	<u>\$ 44,793,461</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2023

	General	Capital Projects Fund	Debt Service Fund	Public Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Sales and use	\$ 33,430,849	\$ -	\$ -	\$ -	\$ -	\$ 33,430,849
Property	5,306,973	- -	- -	- -	- -	5,306,973
Other	1,951,967	- -	- -	- -	- -	1,951,967
Licenses and permits	5,624,209	- -	- -	- -	- -	5,624,209
Intergovernmental	137,505	- -	- -	- -	388,865	526,370
Charges for services	386,659	- -	- -	- -	- -	386,659
Fines and Forfeitures	562,343	- -	- -	- -	93,067	655,410
Donations, gifts, and grants	28,737	307,458	- -	- -	33,395	369,590
Interest	255,819	694,046	73,204	32,653	5,633	1,061,355
Other	2,615,994	(93,419)	- -	- -	27,054	2,549,629
Total revenue	50,301,055	908,085	73,204	32,653	548,014	51,863,011
Expenditures						
General government	5,743,986	- -	- -	- -	- -	5,743,986
Public protection	17,814,770	- -	- -	- -	94,381	17,909,151
Public way and facilities	6,034,492	246,771	- -	- -	32,869	6,314,132
Alabaster City Schools	7,061,611	- -	- -	- -	- -	7,061,611
Capital outlay	1,683,478	15,698,118	- -	3,738,860	- -	21,120,456
Debt service						
Principal retirement	350,000	- -	3,105,000	325,000	- -	3,780,000
Interest and fees	21,460	- -	1,611,599	464,484	- -	2,097,543
Total expenditures	38,709,797	15,944,889	4,716,599	4,528,344	127,250	64,026,879
Excess (deficiency) of revenues over (under) expenditures	11,591,258	(15,036,804)	(4,643,395)	(4,495,691)	420,764	(12,163,868)
Other financing sources (uses)						
Proceeds from sale of capital assets	196,529	- -	- -	- -	- -	196,529
Transfers in	320,251	6,855,072	4,728,250	2,424,667	- -	14,328,240
Transfers out	(11,858,038)	(1,630,451)	- -	(612,951)	(14,101,440)	
	(11,341,258)	5,224,621	4,728,250	2,424,667	(612,951)	423,329
Net change in fund balance	250,000	(9,812,183)	84,855	(2,071,024)	(192,187)	(11,740,539)
Fund balance (deficit) - beginning of year	13,016,561	29,650,656	1,900,752	2,646,251	769,846	47,984,066
Fund balance (deficit) - end of year	\$ 13,266,561	\$ 19,838,473	\$ 1,985,607	\$ 575,227	\$ 577,659	\$ 36,243,527

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the year ended September 30, 2023

Net changes in fund balances - governmental funds	\$ (11,740,539)
Amounts reported for governmental activities in the statement of activities are different due to the following:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay	21,120,456
Less depreciation expense	<u>(2,637,000)</u>
	18,483,456
Donations of capital assets do not provide current financial resources and are not recorded in governmental funds. However, donations of capital assets increase net position	
	1,081,103
The proceeds from the sale of capital assets (\$196,529) are reported as other financing sources in the governmental funds. However, the net book value of the capital assets (\$100,240) is removed from the capital assets account in the Statement of Net Position and offsets against the sales proceeds resulting in a gain in the Statement of Activities of \$96,289	
	(100,240)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal retirement	3,780,000
Warrant discount, premiums and deferred amount of refunding	<u>256,834</u>
	4,036,834
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 governmental funds.	
Net decrease in accrued compensated absences	(4,172)
Net increase in pension expense	(1,398,233)
Net increase in other post employment benefit payable	(2,181,023)
Increase in accrued interest	<u>(50,979)</u>
	(3,634,407)
Change in net position - governmental activities	<u>\$ 8,126,207</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Net Position - Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds		
	Sewer	Garbage	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 3,670,014	\$ 1,228,920	\$ 4,898,934
Certificates of deposit	4,234,124	518,888	4,753,012
Receivables, net	970,126	431,040	1,401,166
Prepaid expenses	4,376	-	4,376
Parts and supplies	-	1,246,426	1,246,426
Cash and cash equivalents - restricted	6,892,656	-	6,892,656
Certificates of deposit - restricted	8,094,647	-	8,094,647
Total current assets	<u>23,865,943</u>	<u>3,425,274</u>	<u>27,291,217</u>
Noncurrent assets			
Nondepreciable capital assets	3,209,242	-	3,209,242
Depreciable capital assets, net	33,100,378	2,577,439	35,677,817
Total noncurrent assets	<u>36,309,620</u>	<u>2,577,439</u>	<u>38,887,059</u>
Total assets	<u>60,175,563</u>	<u>6,002,713</u>	<u>66,178,276</u>
Deferred outflows of resources			
Pension	873,072	303,979	1,177,051
Other post employment benefits	(48,005)	373,691	325,686
Deferred charge on refunding	264,801	-	264,801
Total deferred outflows of resources	<u>1,089,868</u>	<u>677,670</u>	<u>1,767,538</u>
Liabilities			
Current liabilities			
Accounts payable	288,992	53,337	342,329
Accrued payroll and benefits	47,599	23,251	70,850
Accrued interest	256,510	-	256,510
Current maturities of long-term liabilities			
Warrants payable	1,679,636	-	1,679,636
Compensated absences	34,894	11,686	46,580
Total OPEB liability	<u>73,941</u>	<u>312,226</u>	<u>386,167</u>
Total current liabilities	<u>2,381,572</u>	<u>400,500</u>	<u>2,782,072</u>
Noncurrent liabilities			
Warrants payable, net	23,406,237	-	23,406,237
Compensated absences	34,894	11,686	46,580
Total pension liability	1,381,508	513,607	1,895,115
Total OPEB liability	<u>70,757</u>	<u>298,784</u>	<u>369,541</u>
Total noncurrent liabilities	<u>24,893,396</u>	<u>824,077</u>	<u>25,717,473</u>
Total liabilities	<u>27,274,968</u>	<u>1,224,577</u>	<u>28,499,545</u>
Deferred inflows of resources			
Pensions	251,408	41,075	292,483
Other post employment benefits	12,009	8,100	20,109
Total deferred inflows of resources	<u>263,417</u>	<u>49,175</u>	<u>312,592</u>
Net position			
Net investment in capital assets	25,962,040	2,577,439	28,539,479
Restricted for debt service	71,864	-	71,864
Restricted for capital improvements	9,827	-	9,827
Unrestricted	<u>7,683,315</u>	<u>2,829,192</u>	<u>10,512,507</u>
Total net position	<u>\$ 33,727,046</u>	<u>\$ 5,406,631</u>	<u>\$ 39,133,677</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
 Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
 September 30, 2023

	Business-type Activities - Enterprise Funds		
	Sewer	Garbage	Totals
Operating Revenues			
Charges for services	\$ 7,521,508	\$ 2,566,128	\$ 10,087,636
Total operating revenues	<u>7,521,508</u>	<u>2,566,128</u>	<u>10,087,636</u>
Operating Expenses			
Administration, operations, and maintenance	4,862,129	1,871,571	6,733,700
Depreciation and amortization	<u>1,337,853</u>	<u>309,648</u>	<u>1,647,501</u>
Total operating expenses	<u>6,199,982</u>	<u>2,181,219</u>	<u>8,381,201</u>
Operating income	<u>1,321,526</u>	<u>384,909</u>	<u>1,706,435</u>
Non Operating Revenues (Expenses)			
Interest income	540,598	26,901	567,499
Gain (loss) on sale of assets	11,035	(58,490)	(47,455)
Interest and fiscal charges	<u>(926,428)</u>	<u>-</u>	<u>(926,428)</u>
Total non operating revenues (expenses)	<u>(374,795)</u>	<u>(31,589)</u>	<u>(406,384)</u>
Income before capital contributions and interfund transfers	946,731	353,320	1,300,051
Transfers out	<u>-</u>	<u>(226,800)</u>	<u>(226,800)</u>
Change in net position	946,731	126,520	1,073,251
Net position - beginning of year	<u>32,780,315</u>	<u>5,280,111</u>	<u>38,060,426</u>
Net position - end of year	<u>\$ 33,727,046</u>	<u>\$ 5,406,631</u>	<u>\$ 39,133,677</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Cash Flows - Proprietary Funds
September 30, 2023

Business-type Activities - Enterprise Funds		
Sewer	Garbage	Totals
Cash Flows from Operating Activities		
Cash received from customers	\$ 7,747,335	\$ 2,486,134
Cash paid to suppliers for goods and services	(3,329,408)	(888,405)
Cash paid to employees	(1,732,120)	(773,364)
Net cash provided by operating activities	<u>2,685,807</u>	<u>824,365</u>
	<u>3,510,172</u>	
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	(8,566)	(244,876)
Net cash used in noncapital financing activities	<u>(8,566)</u>	<u>(244,876)</u>
	<u>(253,442)</u>	
Cash Flows from Capital and Related Financing Activities		
Purchase of property, plant, and equipment	(5,471,357)	(308,774)
Proceeds from sale of capital assets	61,301	60,000
Principal payments on debt	(1,530,000)	-
Interest payments on debt	(971,499)	-
Net cash used in capital and related financing activities	<u>(7,911,555)</u>	<u>(248,774)</u>
	<u>(8,160,329)</u>	
Cash Flows from Investing Activities		
Interest on cash and investments	540,598	26,901
Net cash provided by investing activities	<u>540,598</u>	<u>26,901</u>
	<u>567,499</u>	
Net (decrease) increase in cash and cash equivalents	(4,693,716)	357,616
Cash and cash equivalents - beginning of year	<u>27,585,157</u>	<u>1,390,192</u>
Cash and cash equivalents - end of year	<u>\$ 22,891,441</u>	<u>\$ 1,747,808</u>
	<u>\$ 24,639,249</u>	

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Statement of Cash Flows - Proprietary Funds (continued)
September 30, 2023

	Business-type Activities - Enterprise Funds		
	Sewer	Garbage	Totals
Operating income	\$ 1,321,526	\$ 384,909	\$ 1,706,435
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	1,337,853	309,648	1,647,501
(Increase) decrease in			
Accounts receivable	225,827	(79,994)	145,833
Prepaid expenses	(95)	-	(95)
Parts and supplies	-	21,443	21,443
Deferred outflows related to pension	(538,021)	(200,388)	(738,409)
Deferred outflows related to OPEB	48,005	33,363	81,368
Increase (decrease) in			
Accounts payable	(469,191)	18,610	(450,581)
Accrued payroll and related liabilities	12,283	8,597	20,880
Compensated absences	2,839	268	3,107
Net pension liability	893,034	332,568	1,225,602
Net OPEB liability	144,698	100,563	245,261
Deferred inflows related to pension	(304,960)	(113,568)	(418,528)
Deferred inflows related to OPEB	12,009	8,346	20,355
Net cash provided by operating activities	<u>\$ 2,685,807</u>	<u>\$ 824,365</u>	<u>\$ 3,510,172</u>

Reconciliation of Cash and Cash Equivalents to Statement of Net Position

Cash and cash equivalents on the Statement of Cash Flows are composed of the following balances from the Statement of Net Position - Proprietary Funds:

	Business-type Activities - Enterprise Funds		
	Sewer	Garbage	Totals
Cash	\$ 3,670,014	\$ 1,228,920	\$ 4,898,934
Certificates of deposit	4,234,124	518,888	4,753,012
Restricted cash	6,892,656	-	6,892,656
Restricted certificates of deposit	8,094,647	-	8,094,647
Cash and cash equivalents	<u>\$ 22,891,441</u>	<u>\$ 1,747,808</u>	<u>\$ 24,639,249</u>

The notes to the financial statements are an integral part of this statement.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Alabaster (the “City”), an Alabama Municipal Corporation, was incorporated in 1953 and is governed by a Mayor-Council form of government. The Mayor is elected at-large to serve a four-year term. Each of the seven city councilors are elected from seven single member wards for terms of four years. The Council is presided over by a president who is chosen by the council members and is also a voting member of the Council.

The financial statements of the City are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The City’s reporting entity applies all relevant GASB pronouncements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so, data from these units is combined with the data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

Public Building Authority (PBA) – The Public Building Authority was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of land and buildings within the City. City staff provide management assistance to the PBA. The funds of the PBA have been included in the governmental activities in the financial statements. The Board of Directors of the PBA are appointed by the City Council. Although it is legally separated from the City, the PBA is reported as if it were part of the primary government because its primary purpose is to issue revenue bonds to finance major capital improvements on behalf of the City.

Discretely Presented Component Unit

Commercial Development Authority (CDA) – The CDA was created by an Act of the Alabama Legislature to acquire, own, and lease property and other assets for the purpose of promoting trade and commerce by inducing commercial enterprises to locate new facilities in the City and expand existing facilities in the City. The CDA is a legally separate, tax-exempt entity that raises and holds economic resources for the direct benefit of the governmental unit. The economic resources held by the CDA are entirely for the direct benefit of the primary government. The primary government is entitled to a majority of the economic resources received or held by the CDA. The economic resources held by the CDA that the primary government is entitled to are significant to the primary government. The CDA does not have separately issued financial statements.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements

The basic financial statements are presented at both the government-wide (based on the City as a whole) and fund financial level. Both levels of statements categorize primary activities as either governmental or business type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-Wide Financial Statements display information about the City as a whole. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. These aggregate statements consist of the statement of net position and the statement of activities.

The *Statement of Net Position* measurement focus is full accrual basis of accounting and economic resource measurement, and the statement presents information on all of the City's assets, deferred outflows, and liabilities (including long-term assets and receivables as well as long-term debt and obligations), with the difference being reported as net position.

The *Statement of Activities* demonstrates the degree to which direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items (property, sales and use taxes, certain intergovernmental revenues, etc.) not attributable to a specific program are reported as general revenues. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The City does not employ an indirect cost allocation system.

Fund Financial Statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental and proprietary funds in the basic financial statements. Major individual governmental funds are reported in separate columns in the basic financial statements. Nonmajor funds (by category or fund type) are consolidated into a single column of the basic financial statements.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded. The government-wide financial statements and proprietary fund financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on an entity or fund's net position.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting - Continued

All transactions and events that affect the total economic resources (net position) during the period are reported. Economic resources measurement focus is connected with the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Current resources measurement is connected with the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). Measurable means the amount of the transaction can be determined and revenues are considered available when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes and intergovernmental revenues. Expenditures are recognized when the related liability is incurred, with the exception of principal and interest on general obligation long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net financial position and cash flows. All assets and liabilities are included on the statement of net position. 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. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Basis of Presentation - Fund-Level Financial Statements

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation - Fund-Level Financial Statements - Continued

Governmental funds are those through which general government functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

The City reports the following major governmental funds:

General Fund - To account for all revenues and expenditures applicable to the general operations of government that are not properly accounted for in another fund. All general operating revenues, which are not restricted or designated as to use by outside sources, are recorded in the General Fund.

Capital Projects Fund - To account for financial resources that are received and used for the acquisition, construction, or improvement of capital assets.

Debt Service Fund - To account for financial resources related to the City's debt service and debt defeasances.

Public Building Authority Fund – To account for financial resources, including debt service, that are received and used for the acquisition, construction, or improvement of land and buildings.

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

Special Revenue Funds - To account for the proceeds of specific revenue resources that are legally restricted or designated for expenditures with specified purposes.

The City reports the following major proprietary funds:

Sewer Fund - To account for the operation of the City's sanitary sewer services provided to the residents and businesses of the City. Activities of the fund include administration, operations and maintenance of the sewer system, billing and collection activities, and financing and related debt service.

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

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

The City considers all instruments with an original maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. These amounts represent actual account balances held by financial institutions at the end of the period, and unlike the balances reported in the financial statements, the account balances do not reflect timing delays inherent in reconciling items such as outstanding checks and deposits in transit. The City has never experienced any losses related to these balances. Certificates of deposit are segregated in the financial statements but have a maturity of three months or less and are thus cash equivalents for purposes of the Statement of Cash Flows – Proprietary Fund.

The City also participates in the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) program. The bank holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

Allowance for Uncollectible Accounts

Proprietary fund accounts receivable are uncollateralized customer obligations due from normal customer transactions and are stated at the amount billed to customers for services rendered. Management reviews all accounts receivable balances and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that may not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances deemed uncollectible are written off. At September 30, 2023, management has recorded an allowance for doubtful accounts of \$17,244

Prepaid expenses

Prepaid balances are payments made by the City in the current year to provide services occurring in the subsequent fiscal year. Prepays are presented using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Parts and Supplies

Parts and supplies consist of supplies held for consumption and are recorded at cost.

Restricted Assets

The use of these assets are limited by legal requirements or restrictions imposed externally by creditors or contributors. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted, as they are needed.

Interfund Transfers, Receivables, and Payables

During the normal course of operations, the City has numerous transactions between funds to provide services, construct assets, and service debt. These receivables and payables are classified as "Due to/from other funds," as they are all short-term in nature. These amounts have been eliminated on the government-wide financial statements except for those amounts outstanding between the general fund and business type activities.

Routine transfers of resources between City funds that are not intended to be repaid are classified separately from revenues and expenditures. Such interfund transfers are identified as "Interfund transfers in/(out)" in the accompanying financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are charged to operations as incurred. Improvements that materially extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives: building and improvements, 3 to 50 years; machinery and equipment, 3 to 50 years; infrastructure, 10 to 50 years; and vehicles, 5 to 10 years.

Depreciation is provided in the proprietary funds in amounts sufficient to relate the cost of the depreciable assets to operate over their estimated service lives on the straight-line basis.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows of Resources

The City's statements of net position report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to future periods. Deferred outflows of resources reported in the financial statements are amounts of pension contributions through the end of the City's fiscal year to be recognized by the pension plan on the accrual basis of accounting in the next measurement period, other deferred charges related to the pension and other post-employment benefit liability as well as deferred amounts arising from the refunding of warrants payable. The deferred refunding amounts are being amortized over the shorter of the life of the refunded or refunding warrants as part of interest expense.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities columns of the statement of net position. Warrant premiums and discounts are deferred and amortized over the life of the warrants using the warrants outstanding method. Warrants payable are reported net of the applicable warrant premium or discount. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize warrant premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs are reported as debt service expenditures.

Compensated Absences

All full-time employees of the City accumulate vacation (annual leave) and holiday time during the calendar year. On January 1 of each year, vacation hours in excess of 240 are forfeited. Accumulated vacation leave is paid to an employee at the time of separation of service.

Eligible employees earn sick leave at the rate of one work day for each month of service. Sick leave can be converted as years of service upon retirement in the Retirement Systems of Alabama. Employees are not paid for unused sick leave upon termination of employment. Accordingly, sick pay is charged to expense when taken. No provision has been made in the financial statements for unused sick leave.

The accrued amounts of vacation leave are recorded as noncurrent liabilities, net of current portion in proprietary funds. The accrued amounts of vacation leave earned by employees whose salaries are charged to the General Fund are recorded as noncurrent liabilities in the government-wide financial statements, net of estimated current portion.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Pensions

The Employees' Retirement Systems of Alabama (the Plan or ERS) 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 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. The last year for which actuarial information is available is for the fiscal year ended September 30, 2022, and, therefore, this actuarial information is reported in the 2023 financial statements.

Other Postemployment Benefit Obligations

The City is required to report the City's actuarially determined net OPEB obligation as a long-term liability in the government-wide financial statements.

Deferred Inflows of Resources

The City's statement of net position and its governmental fund balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. Deferred inflows of resources reported in the financial statements are for differences between projected and actual earnings on pension plan investments, difference between projected and actual earnings on the other post-employment benefit plan and property taxes levied for subsequent years.

Net Position

The City reports information regarding its financial position and activities according to three classes of net position in the government-wide financial statements: net investment in capital assets, restricted net position, and unrestricted net position.

Net Investment in Capital Assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any warrants, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position is reported as restricted when constraints placed on net position use are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Unrestricted Net Position is the residual component of net position. It consists of net position that does not meet the definition of restricted or net investment in capital assets.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

1. Summary of Significant Accounting Policies (continued)

Fund Equity

The City is required, as applicable, to present fund balances in five categories. The fund balance categories are:

Non-spendable - Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact.

Restricted - Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed - Includes items committed by the City Council (the highest level of decision making authority for the City), by resolution of the Council. Commitments may be modified or rescinded by similar resolution.

Assigned - Includes items assigned by specific uses, authorized by the City Council.

Unassigned - This is the residual classification used for those balances not assigned to another category in the general fund. Deficit fund balances are also presented as unassigned.

The City is required to designate the responsible party to make assignments of fund balance, and the City designated the City Council as the responsible party based on the size of City government.

The City's spending policy states in what order fund balance categories are spent. The City Council approved the following fund balance order of spending: (1) restricted fund balance, (2) committed fund balance, (3) assigned fund balance, and lastly (4) unassigned fund balance.

Property Taxes

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

Subsequent Events

Management has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued. There are no subsequent events requiring disclosure.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

2. Deposits and Investments

Deposits

The City's formal written investment policy, consistent with the Government Finance Officer Association (GFOA) Policy, authorizes the City to invest in obligations of the U.S. Treasury, certain U.S. agency obligations, State of Alabama obligations, county obligations, and other municipal obligations, as well as bank certificates of deposit and bank public investment accounts. The policy also addresses specific types of risks that the government is exposed to through its deposits or investments. At year end, the government did not have any investment balances.

Credit Risk (Custodial Credit Risk and Concentration of Credit Risk)

For deposits, custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned to it. All of the City's investments at September 30, 2023 were insured.

Investment Rate Risk

As a means of limiting its exposure to interest rate risk, the City's policy is to diversify its investments by security type and institution, and limit holdings in any one type of investment with any one issuer. The City also coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

3. Receivables and Payables

Receivables consisted of the following at September 30, 2023:

	Governmental Activities	Business-type activities	Total
Taxes			
Sales and property	\$ 8,694,681	\$ -	\$ 8,694,681
Customers	-	1,418,410	1,418,410
Gross receivables	8,694,681	1,418,410	10,113,091
Less: allowance for uncollectible accounts	-	(17,244)	(17,244)
Net receivables	<u>\$ 8,694,681</u>	<u>\$ 1,401,166</u>	<u>\$ 10,095,847</u>

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

3. Receivables and Payables (continued)

Payables consisted of the following at September 30, 2023:

	Governmental		Business-type		Total
	Activities	Activities	Activities	Total	
Trade	\$ 570,643	\$ 166,719	\$ 737,362		
Capital assets	2,787,875	175,610	2,963,485		
Net payables	\$ 3,358,518	\$ 342,329	\$ 3,700,847		

4. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables consisted of the following at September 30, 2023:

	Interfund	Interfund
	Receivables	Payables
General Fund	\$ 271	\$ 3,835,572
Capital Projects Fund	3,835,572	-
Other Governmental		271
	\$ 3,835,843	\$ 3,835,843

Interfund receivables and payables resulted from reimbursements made by the General Fund to the Capital Projects Fund and Other Governmental Fund for various projects and expenses.

Transfers between funds consisted of the following during the year ended September 30, 2023:

Transfers Out	Transfers In					Total
	General	Capital	Debt	Public		
	Fund	Projects	Service	Building		
General Fund	\$ -	\$ 6,335,572	\$ 4,728,250	\$ 794,216	\$ 11,858,038	
Capital Projects Fund	-	-	-	1,630,451	1,630,451	
Other Governmental	93,451	519,500	-	-	612,951	
Garbage Fund	226,800	-	-	-	226,800	
Total	\$ 320,251	\$ 6,855,072	\$ 4,728,250	\$ 2,424,667	\$ 14,328,240	

Transfers are used to move revenues collected in the general fund to the debt service fund to pay debt and comply with bond covenants. Revenues over expenditures in the general fund are transferred to the capital projects fund to offset future capital project expenditures. Lease payments from the general fund to the Public Building Authority are made in accordance with the lease agreement. Transfers from the capital projects fund to the Public Building Authority were made to reflect payments made to improve the building owned by the Public Building Authority. Transfers from the garbage fund to the general fund were made to assist in making payments on the 2017 Series general obligation warrants in accordance with the agreement reached between the general and the garbage fund at the time the debt was issued.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

5. Capital Assets

Capital asset activity consisted of the following for the year ended September 30, 2023:

Governmental Activities	October 1, 2022	Additions	Disposals	September 30, 2023
Depreciable assets				
Buildings and improvements	\$ 24,130,978	\$ 18,710,016	\$ (23,828)	\$ 42,817,166
Equipment	4,270,788	726,561	(325,092)	4,672,257
Infrastructure	33,958,519	7,245,519	-	41,204,038
Vehicles	10,912,590	736,942	(1,163,725)	10,485,807
	<u>73,272,875</u>	<u>27,419,038</u>	<u>(1,512,645)</u>	<u>99,179,268</u>
Less accumulated depreciation				
Buildings and improvements	8,536,958	813,642	(37,492)	9,313,108
Equipment	3,060,290	325,581	(236,869)	3,149,002
Infrastructure	7,787,133	665,042	-	8,452,175
Vehicles	7,164,374	832,735	(1,163,724)	6,833,385
	<u>26,548,755</u>	<u>2,637,000</u>	<u>(1,438,085)</u>	<u>27,747,670</u>
	<u>46,724,120</u>	<u>24,782,038</u>	<u>(74,560)</u>	<u>71,431,598</u>
Non-depreciable assets				
Land and improvements	19,055,311	1,174,575	-	20,229,886
Construction in progress	15,845,775	9,267,333	(15,685,067)	9,428,041
	<u>34,901,086</u>	<u>10,441,908</u>	<u>(15,685,067)</u>	<u>29,657,927</u>
	<u><u>\$ 81,625,206</u></u>	<u><u>\$ 35,223,946</u></u>	<u><u>\$ (15,759,627)</u></u>	<u><u>\$ 101,089,525</u></u>

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

5. Capital Assets (continued)

Business-type activities	October 1, 2022	Additions	Disposals	September 30, 2023
Depreciable assets				
Buildings and improvements	\$ 2,167,207	\$ 141,595	\$ -	\$ 2,308,802
Equipment	24,301,104	348,650	(48,523)	24,601,231
Infrastructure	26,772,981	3,214,917		29,987,898
Vehicles	3,782,012	495,410	(300,301)	3,977,121
	<u>57,023,304</u>	<u>4,200,572</u>	<u>(348,824)</u>	<u>60,875,052</u>
Less accumulated depreciation				
Buildings and improvements	274,445	62,919	-	337,364
Equipment	10,876,590	610,475	(28,403)	11,458,662
Infrastructure	10,665,022	577,630	-	11,242,652
Vehicles	1,926,646	396,477	(164,566)	2,158,557
	<u>23,742,703</u>	<u>1,647,501</u>	<u>(192,969)</u>	<u>25,197,235</u>
	<u>33,280,601</u>	<u>2,553,071</u>	<u>(155,855)</u>	<u>35,677,817</u>
Non-depreciable assets				
Land	945,910	383,915	-	1,329,825
Construction in progress	696,674	1,384,610	(201,867)	1,879,417
	<u>1,642,584</u>	<u>1,768,525</u>	<u>(201,867)</u>	<u>3,209,242</u>
	<u>\$ 34,923,185</u>	<u>\$ 4,321,596</u>	<u>\$ (357,722)</u>	<u>\$ 38,887,059</u>

Discretely Presented Component Unit	October 1, 2022	Additions	Disposals	September 30, 2023
Non-depreciable assets				
Land and improvements	\$ 405,723	\$ 600,380	\$ (1,006,103)	\$ -

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

	Governmental Activities	Business-type Activities
General government	\$ 400,511	\$ -
Public protection	924,154	-
Public ways and facilities	1,312,335	-
Sewer	-	1,337,853
Garbage	-	309,648
	<u>\$ 2,637,000</u>	<u>\$ 1,647,501</u>

Depreciation expense charged to the component unit for the year ended September 30, 2023 was \$0.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

6. Long-term Debt

The City issues general obligation warrants to provide funds for the acquisition and construction of major capital facilities. General obligation warrants have been issued for both governmental and business-type activities. General obligation warrants are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 20 years.

Primary government general obligation warrants payable consisted of the following at September 30, 2023:

Primary Government	Governmental Activities	Business-type Activities
Series 2005-B General Obligation Warrants, dated November 1, 2005, due in semi-annual installments through April 1, 2025, bearing interest rates of 4.00% to 4.45%	\$ 85,000	\$ -
Series 2011-B General Obligation Warrants, dated October 1, 2015, due in semi-annual installments through September 1, 2025, bearing interest rates of 2.00% to 3.25%	375,000	-
Series 2016-A Taxable General Obligation Warrants, dated June 29, 2016, due in semi-annual installments through September 1, 2026, bearing interest rates of 1.75% to 2.70%	1,725,000	-
Series 2016-B General Obligation Warrants, dated June 29, 2016, due in semi-annual installments through September 1, 2026, bearing interest rates of 2.00% to 2.25%	2,100,000	-
Series 2017 General Obligation Warrants, dated November 1, 2017, due in semi-annual installments through May 1, 2033, bearing interest rates of 1.15% to 4.00%	7,690,000	-
Series 2018 General Obligation Warrants, dated February 1, 2018, due in semi-annual installments through April 1, 2031, bearing interest rates of 2.00% to 4.00%	8,135,000	-

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

6. Long-term Debt (continued)

	Governmental Activities	Business-type Activities
Series 2020-A General Obligation Warrants, dated December 18, 2019, due in semi-annual installments through January 1, 2033, bearing interest rates of 3.00%	5,700,000	-
Series 2020-B Taxable General Obligation Warrants, dated December 18, 2019, due in semi-annual installments through January 1, 2028, bearing interest rates of 2.02% to 2.72%	4,315,000	-
Series 2022-B General Obligation Warrants, dated September 15, 2022, due in semi-annual installments through August 1, 2036, bearing interest rates of 5.00%	15,385,000	-
Series 2022-C General Obligation Warrants, dated September 21, 2022, due in semi-annual installments through September 1, 2042, bearing interest rates of 5.00%	6,650,000	-
Series 2020-C General Obligation Warrants, dated July 28, 2020, due in semi-annual installments through April 1, 2029, bearing interest rates of 3.00 to 4.00%	-	7,115,000
Series 2022-A General Obligation Warrants, dated September 15, 2022, due in semi-annual installments through August 1, 2036, bearing interest rates of 4.00% to 4.125%	-	16,985,000
Total warrants payable	52,160,000	24,100,000
Plus (less) deferred amounts for:		
Unamortized premiums	2,325,819	985,873
Unamortized discounts	(17,023)	-
Total warrants payable, net	\$ 54,468,796	\$ 25,085,873

The lease revenue bonds payable for governmental activities consisted of the following at September 30, 2023:

Primary Government	Governmental Activities
Series 2022 Lease Revenue Bonds, dated October 6, 2020, due in semi-annual installments through October 1, 2050, bearing interest rates of 2.00% to 4.00%	\$ 13,545,000
Plus (less) deferred amounts for:	
Unamortized premiums	733,334
	<u>\$ 14,278,334</u>

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

6. Long-term Debt (continued)

Future principal and interest requirements of the general obligation warrants and lease revenue bonds consist of the following for the years ending September 30:

	Governmental Activities		Governmental Activities		Business-type Activities	
	General Obligation Warrants		Lease Revenue Bonds		General Obligation Warrants	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,525,000	\$ 1,631,884	\$ 335,000	\$ 457,885	\$ 1,495,000	\$ 1,012,100
2025	3,605,000	1,552,928	345,000	447,635	1,540,000	963,150
2026	3,670,000	1,466,093	355,000	433,635	1,595,000	901,550
2027	3,765,000	1,379,412	370,000	419,135	1,665,000	837,750
2028	3,760,000	1,282,538	385,000	404,035	1,735,000	771,150
2029-2033	18,530,000	4,667,395	2,190,000	1,769,675	4,065,000	3,014,000
2034-2038	12,065,000	974,750	2,625,000	1,329,850	3,525,000	2,204,900
2039-2043	1,400,000	-	3,040,000	909,920	4,335,000	1,394,350
2044-2048	-	-	3,455,000	502,495	4,145,000	436,013
2049-2051	-	-	2,285,000	86,563	-	-
	\$ 50,320,000	\$ 12,955,000	\$ 15,385,000	\$ 6,760,828	\$ 24,100,000	\$ 11,534,963

Changes in long-term liabilities for governmental activities consisted of the following at September 30, 2023:

Governmental Activities	October 1, 2022	Additions	Retirements	September 30, 2023	Due within one year
	2022			2023	
Warrants payable:					
General Obligation Warrants	\$ 53,775,000	\$ -	\$ (3,455,000)	\$ 50,320,000	\$ 3,525,000
Lease revenue bonds	15,710,000	-	(325,000)	15,385,000	335,000
Unamortized premiums/ (discounts)	3,363,749	-	(321,619)	3,042,130	314,357
	72,848,749	-	(4,101,619)	68,747,130	4,174,357
Compensated absences	962,802	597,291	(593,119)	966,974	483,487
	\$ 73,811,551	\$ 597,291	\$ (4,694,738)	\$ 69,714,104	\$ 4,657,844

For governmental activities, general obligation warrants, capital leases, net pension liabilities, net other post-employment benefit liabilities, and compensated absences are liquidated by the General Fund.

The Series 2020 Bonds are special, limited obligations of the Public Building Authority of the City of Alabaster, a blended component unit, and are payable solely from, and secured by a pledge of, the revenues and receipts derived by the PBA from the leasing of facilities by the City of Alabaster defined in the lease revenue bond documents. Lease revenue bond payments made from the General Fund to the Public Building Authority are included in interfund transfers.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

6. Long-term Debt (continued)

Changes in long-term liabilities for business-type activities consisted of the following at September 30, 2023:

Business-type Activities	October 1, 2022	Additions	Retirements	September 30, 2023	Due within one year
Warrants payable:					
General Obligation Warrants	\$ 25,630,000		\$ (1,530,000)	\$ 24,100,000	\$ 1,495,000
Unamortized premiums/ (discounts)	1,193,357		(207,484)	985,873	184,636
Total warrants payable	<u>26,823,357</u>	-	(1,737,484)	25,085,873	1,679,636
Compensated absences	90,053	65,498	(62,391)	93,160	46,580
	<u>\$ 26,913,410</u>	<u>\$ 65,498</u>	<u>\$ (1,799,875)</u>	<u>\$ 25,179,033</u>	<u>\$ 1,726,216</u>

7. Related Party Transactions

The Alabaster Water Board bills and collects customers' monthly sewer and garbage fees for the City at no charge, in lieu of the Alabaster Water Board paying the City a franchise tax. The Board owed the City \$1,401,166 at September 30, 2023 for those fees collected during the month of September.

During the year ended September 30, 2023, the City recognized a total of \$10,087,636 in sewer and garbage fees collected by the Water Board.

8. Pension Plan

General Information about the Pension Plan

Plan Description

The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. 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.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

8. Pension Plan - Continued

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 active employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

8. Pension Plan (continued)

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 guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. 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. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

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

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

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

Retirees and beneficiaries currently receiving benefits	30,598
Terminated employees entitled to but not yet receiving benefits	2,286
Terminated employees not entitled to a benefit	18,689
Active members	57,278
Post-DROP participants who are still in active service	39
	<hr/>
	108,890

The City's membership as of the measurement date of September 30, 2022 consisted of:

Retirees and beneficiaries currently receiving benefits	82
Vested inactive members	4
Non-vested inactive members	33
Active members	259
	<hr/>
	378

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

8. Pension Plan – Continued

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

Employers participating in the ERS pursuant to Code of Alabama 1975, Section 36-27-6 were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. City of Alabaster did not elect to increase contribution rates for its members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with additional amounts to finance any unfunded accrued liability, the preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2023, the City's active employee contribution rate was 6.55% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 5.69% of pensionable payroll for Tier 1 members and 7.89% of pensionable payroll for Tier 2 members.

City's contractually required contribution rate for the year ended September 30, 2023, was 10.06% of pensionable pay for Tier 1 employees, and 7.94% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2019, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$1,595,703 for the year ended September 30, 2023.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

8. Pension Plan - Continued

Net Pension Liability

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

	Expected	Actual Before Plan Changes	Actual After Plan Changes
(a) Total Pension Liability as of September 30, 2021	\$ 57,925,016	\$ 60,258,271	\$ 60,291,261
(b) Discount Rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2021 - September 30, 2022	1,658,280	1,658,280	1,659,524
(d) Transfers Among Employers	-	(127,566)	(127,566)
(e) Actual Benefit Payments and Refunds for the period October 1, 2021 - September 30, 2022	(2,675,510)	(2,675,510)	(2,675,510)
(f) Total Pension Liability as of September 30, 2022 [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 61,123,537</u>	<u>\$ 63,503,053</u>	<u>\$ 63,539,746</u>
(g) Difference between Expected and Actual		\$ 2,379,516	
(h) Less Liability Transferred for Immediate Recognition		<u>(127,566)</u>	
(i) Difference between Expected and Actual - Experience (Gain)/Loss		<u>\$ 2,507,082</u>	
(j) Difference between Actual TPL Before and After Plan Changes - Benefit Changes		<u>\$ 36,693</u>	

Actuarial Assumptions

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

Inflation	2.50%
Projected Salary Increases	3.25 - 6.00%
Investment Rate of Return *	7.45%, including inflation

*Net of pension plan investment expense

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

8. Pension Plan - Continued

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

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

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

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

The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	15.00%	2.80%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real estate	10.00%	6.50%
Cash	5.00%	1.50%
	<u>100.00%</u>	

*Includes assumed rate of inflation of 2.50%.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

8. Pension Plan - Continued

Discount Rate

The discount rate used to measure the total pension liability was the long term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current 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.

Changes in the City's net pension liability consisted of the following at September 30, 2022:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2021	\$ 57,925,016	\$ 48,433,980	\$ 9,491,036
Changes for the year:			
Service cost	1,658,280	-	1,658,280
Interest	4,215,751	-	4,215,751
Changes of benefit terms	36,694	-	36,694
Differences between expected and actual experience	2,507,082	-	2,507,082
Contributions - employer	-	1,515,498	(1,515,498)
Contributions - employee	-	1,092,791	(1,092,791)
Net investment income	-	(6,181,734)	6,181,734
Benefits of payments, including refunds of employee contributions	(2,675,510)	(2,675,510)	-
Transfers among employers	(127,566)	(127,566)	-
Net changes:	5,614,731	(6,376,521)	11,991,252
Balances at September 30, 2022	<u><u>\$ 63,539,747</u></u>	<u><u>\$ 42,057,459</u></u>	<u><u>\$ 21,482,288</u></u>

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

8. Pension Plan - Continued

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

The following table presents the City's net pension liability calculated using the discount rate of 7.45%, 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:

	Current		
	1% Decrease (6.45%)	Discount Rate (7.45%)	1% Increase (8.45%)
Plan's Net Pension Liability (Asset)	\$ 30,043,707	\$ 21,482,288	\$ 14,374,456

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 detail by employer and in aggregate additional information needed to comply with GASB 68. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2023, the City recognized pension expense of \$3,108,094. 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	\$ 2,952,738	\$ 2,395,103
Changes of assumptions	2,399,963	-
Net difference between projected and actual earnings on pension plan investments	5,050,922	-
Employer contributions subsequent to the measurement date	1,595,703	-
	<u>\$ 11,999,326</u>	<u>\$ 2,395,103</u>

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

8. Pension Plan - Continued

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

	Deferred Outflows (Inflows) of Resources
2023	\$ 2,005,066
2024	1,360,930
2025	1,201,123
2026	2,482,810
2027	514,047
Thereafter	444,544

9. Other Post-Employment Benefits

General Information about the OPEB Plan

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

Benefits Provided – Medical benefits are provided through a comprehensive medical benefit plan. Medical benefits are provided to employees upon actual retirement. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or age 60 and 10 years of service (called "Tier 1" members). For employees hired on or after January 1, 2013 (called "Tier 2" members), the retirement eligibility is age 62 and 10 years of service.

The City contributes 75% of the total premium cost for qualifying retirees with 25 years of service or more with the City and 65% of the total premium cost for qualifying retirees with less than 25 years of service at the City.. The retiree is responsible for the balance of the monthly contribution. Any retiree earning more than \$30,000 per annum is not eligible for the subsidy.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

9. Other Post-Employment Benefits (continued)

Employees covered by benefit terms – At September 30, 2023, the following employees were covered by the benefit terms:

Active participants	35
Vested former participants	-
Retired participants	238
	<hr/>
	273
	<hr/>

Total OPEB Liability

The City's total OPEB liability of \$20,877,451 was measured as of September 30, 2023 and 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 and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%, including inflation
Prior discount rate	4.02%
Discount rate	4.09%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20-year general obligation municipal bond index as of September 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2023.

City of Alabaster, Alabama
 Notes to Financial Statements
 September 30, 2023

9. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability

Balance at September 30, 2022	\$ 19,090,555
Changes for the year:	
Service cost	841,156
Interest	784,348
Differences between expected and actual experience	579,149
Changes in assumptions	(204,453)
Benefit payments and net transfers	<u>(213,306)</u>
Net changes	<u>1,786,894</u>
Balance at September 30, 2023	<u><u>\$ 20,877,449</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	Current		
	1% Decrease	Discount	1% Increase
	(3.09%)	Rate (4.09%)	(5.09%)
Net OPEB Liability (Asset)	<u>\$ 24,456,243</u>	<u>\$ 20,877,449</u>	<u>\$ 18,011,632</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.:

	Healthcare		
	1% Decrease	Cost Trend	1% Increase
	(4.50%)	(5.50%)	(6.50%)
Net OPEB Liability (Asset)	<u>\$ 17,796,094</u>	<u>\$ 20,877,449</u>	<u>\$ 24,765,015</u>

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

9. Other Post-Employment Benefits (continued)

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$2,741,313. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,351,988	\$ (267,488)
Changes of assumptions	6,023,711	(181,734)
	<u>\$ 9,375,699</u>	<u>\$ (449,222)</u>

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

	Deferred Outflows (Inflows) of Resources
2023	\$ 1,115,810
2024	1,115,810
2025	1,115,810
2026	1,115,810
2027	1,115,810
Thereafter	3,347,427

10. Noncash Investing, Capital, and Financing Activities

The Sewer Fund has amortization of premiums of \$207,696 and amortization of deferred amounts on refunding of \$91,470 for the year ended September 30, 2023.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2023, the City paid premiums of approximately \$850,668 to commercial insurance carriers for provisions of various liability, property, casualty, cyber and workers compensation insurance. In addition, the City has a deductible of \$5,000. The deductible is \$5,000 for general liability, \$500 for property, and \$15,000 for cyber insurance. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts. In the last three years, the City has not entered into any settlements that exceeded the City's self-insured retention limits.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

12. Economic Dependency

The City is economically dependent on a small number of principal taxpayers. Sales and use tax revenue accounted for 64.4% of total governmental fund-type revenues for the year ended September 30, 2023. Sales and use tax revenues received from one major taxpayer accounted for 14.9% of the total sales and use tax collected City-wide. In addition, business license revenues received from one major company accounted for 32.1% of the total business license revenues collected City-wide.

13. Tax Abatements

The City enters into sales tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992. Under the Act, cities, counties and public industrial authorities have the ability to abate sales and use taxes and property taxes for various time periods depending on the type of business, all for the purposes of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended September 30, 2023, the City abated taxes totaling \$322,014 under this Act, as summarized below.

Purpose	Type of Taxes Abated	Percentage of Taxes Abated during the Fiscal year		Amunt of Taxes Abated during the Fiscal Year
		100%	31%	
Development of Manufacturing Facility	Property	100%		\$ 21,295
Development of Manufacturing Facility	Property	100%		22,485
Development of Manufacturing Facility	Property	100%		64,246
Development of Commercial Shopping Center	Sales	31%		61,251
Development of Commercial Business	Sales	38.5%		30,682
Development of Commercial Shopping Center	Sales	52.7%		92,123
Development of Commercial Shopping Center	Sales	5.6%		29,932
				<u>\$ 322,014</u>

14. Accounting Changes and Accounting Standards

The GASB has issued the following statements and implementation guides:

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of GASB 94 were in effect for financial statements starting with the fiscal year that ends June 30, 2023. The City implemented GASB 93 for the fiscal year ending September 30, 2023. Adoption did not effect the City's current year financial statements.

City of Alabaster, Alabama
Notes to Financial Statements
September 30, 2023

14. Accounting Changes and Accounting Standards (continued)

The GASB issued Statement No. 96, *Subscription-Based Information Technology*, to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government users. The requirements of GASB 96 were in effect for financial statements starting with the fiscal year that ends June 30, 2023. The City implemented GASB 96 for the fiscal year ending September 30, 2023. Adoption did not affect the City's current year financial statements.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections* which enhances accounting and financial reporting requirements for accounting changes and error corrections. The requirements of GASB 100 apply to financial statements starting with the fiscal year beginning after June 15, 2023. The City is currently evaluating the impact GASB 100 may have on its financial statements.

The GASB issued Statement No. 101, *Compensated Absences* which updates the recognition and measurement guidance for compensated absences. The requirements of GASB 101 apply to financial statements starting with the fiscal year beginning after December 15, 2023. The City is currently evaluating the impact GASB 101 may have on its financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures* which provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of GASB 102 apply to financial statements starting with the fiscal year beginning after June 15, 2024. The City is currently evaluating the impact GASB 102 may have on its financial statements.

For the original pronouncements, please visit the GASB's website, www.gasb.org.

15. Commitments

At September 30, 2023, the City had contractual commitments totaling \$14,470,142 for several parks and recreation projects and repaving of roads.

REQUIRED SUPPLEMENTARY INFORMATION

City of Alabaster, Alabama
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Taxes				
Sales	\$ 30,486,375	\$ 33,025,714	\$ 33,430,849	\$ 405,135
Property	5,250,000	5,304,925	5,306,973	2,048
Other	1,741,100	1,844,007	1,951,967	107,960
Licenses and permits	5,787,000	5,561,900	5,624,209	62,309
Intergovernmental	125,000	137,506	137,505	(1)
Charges for services	253,500	336,432	386,659	50,227
Fines and forfeitures	511,000	562,460	562,343	(117)
Donations, gifts, and grants	15,000	28,710	28,737	27
Interest	30,000	235,000	255,819	20,819
Other	<u>1,833,500</u>	<u>2,407,489</u>	<u>2,615,994</u>	<u>208,505</u>
	46,032,475	49,444,143	50,301,055	856,912
Expenditures				
General government				
Administrative	3,694,178	3,600,068	3,289,379	310,689
Finance	789,304	899,864	901,816	(1,952)
Personnel	1,784,026	1,694,790	1,703,594	(8,804)
Elected officials	386,635	369,042	371,529	(2,487)
Total general government	<u>6,654,143</u>	<u>6,563,764</u>	<u>6,266,318</u>	<u>297,446</u>
Public protection				
Police	10,907,147	10,785,080	10,631,639	153,441
Municipal court	587,635	584,816	615,479	(30,663)
Fire	7,722,240	7,441,189	7,381,297	59,892
Total general government	<u>19,217,022</u>	<u>18,811,085</u>	<u>18,628,415</u>	<u>182,670</u>
Public ways and facilities				
Library	974,285	1,020,567	1,023,834	(3,267)
Public works	1,704,860	1,670,225	1,594,436	75,789
Parks and recreation	3,706,170	3,775,153	3,785,183	(10,030)
Total general government	<u>6,385,315</u>	<u>6,465,945</u>	<u>6,403,453</u>	<u>62,492</u>
Alabaster City Schools				
Payments to the Alabaster Board of Education	7,358,375	7,386,202	7,411,611	(25,409)
Total Alabaster City Schools	<u>7,358,375</u>	<u>7,386,202</u>	<u>7,411,611</u>	<u>(25,409)</u>
Total expenditures	<u>39,614,855</u>	<u>39,226,996</u>	<u>38,709,797</u>	<u>517,199</u>
Excess revenue over expenditures	<u>6,417,620</u>	<u>10,217,147</u>	<u>11,591,258</u>	<u>339,713</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	25,000	195,655	196,529	(874)
Transfers (out) in	(5,595,855)	(9,476,455)	(11,537,787)	(2,061,332)
Total other financing sources (uses)	<u>(5,570,855)</u>	<u>(9,280,800)</u>	<u>(11,341,258)</u>	<u>(2,062,206)</u>
Net change in fund balance	<u>\$ 846,765</u>	<u>\$ 936,347</u>	<u>\$ 250,000</u>	<u>\$ (1,722,493)</u>

See notes to required supplementary information.

City of Alabaster, Alabama
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Last Nine Years Ended September 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 1,658,280	\$ 1,350,231	\$ 1,307,609	\$ 1,261,525	\$ 1,206,530	\$ 1,209,192	\$ 1,133,362	\$ 1,107,963	\$ 1,071,349
Interest	4,215,751	4,089,225	3,736,104	3,581,836	3,502,407	3,314,074	3,001,907	2,825,314	2,636,186
Changes of benefit terms	36,694	-	664,392	-	-	-	-	-	-
Differences between expected and actual experience	2,507,082	(2,093,297)	1,152,785	(567,548)	(1,476,961)	(238,179)	698,319	(130,968)	-
Changes of assumptions	-	2,742,930	-	-	286,869	-	2,087,875	-	-
Benefit payments, including refunds of employee contributions	(2,675,510)	(2,405,799)	(2,113,929)	(2,108,928)	(2,035,712)	(1,676,289)	(1,646,482)	(1,543,314)	(1,143,546)
Transfers among employers	(127,566)	(67,986)	(15,045)	(160,902)	(121,518)	1,016	(21,679)	-	-
Net change in total pension liability	5,614,731	3,615,304	4,731,916	2,005,983	1,361,615	2,609,814	5,253,302	2,258,995	2,563,989
Total pension liability - beginning	57,925,016	54,309,712	49,577,796	47,571,813	46,210,198	43,600,384	38,347,082	36,088,087	33,524,098
Total pension liability - ending (a)	\$ 63,539,747	\$ 57,925,016	\$ 54,309,712	\$ 49,577,796	\$ 47,571,813	\$ 46,210,198	\$ 43,600,384	\$ 38,347,082	\$ 36,088,087
Plan fiduciary net position									
Contributions - employer	\$ 1,515,498	\$ 1,370,341	\$ 1,244,513	\$ 1,353,145	\$ 1,207,753	\$ 1,099,193	\$ 1,112,726	\$ 1,041,311	\$ 1,039,130
Contributions - member	1,092,791	1,135,011	857,988	850,074	810,904	767,928	746,133	721,895	691,926
Net investment income	(6,181,734)	8,798,229	2,141,482	939,384	3,107,563	3,808,336	2,731,430	313,475	2,802,343
Benefit payments, including refunds of employee contributions	(2,675,510)	(2,405,799)	(2,113,929)	(2,108,928)	(2,035,712)	(1,676,289)	(1,646,482)	(1,543,314)	(1,143,546)
Transfers among employers	(127,566)	(67,986)	(15,045)	(160,902)	(121,518)	1,016	(21,679)	(242,352)	(53,073)
Net change in plan fiduciary net position	(6,376,521)	8,829,796	2,115,009	872,773	2,968,990	4,000,184	2,922,128	291,015	3,336,780
Plan net position - beginning	48,433,980	39,604,184	37,489,175	36,616,402	33,647,412	29,647,228	26,725,100	26,434,085	23,097,305
Plan net position - ending (b)	\$ 42,057,459	\$ 48,433,980	\$ 39,604,184	\$ 37,489,175	\$ 36,616,402	\$ 33,647,412	\$ 29,647,228	\$ 26,725,100	\$ 26,434,085
Net pension liability (a) - (b)	\$ 21,482,288	\$ 9,491,036	\$ 14,705,528	\$ 12,088,621	\$ 10,955,411	\$ 12,562,786	\$ 13,953,156	\$ 11,621,982	\$ 9,654,002
Plan fiduciary net position as a percentage of the total pension liability	66.19%	83.61%	72.92%	75.62%	76.97%	72.81%	68.00%	69.69%	73.25%
Covered payroll	\$ 16,165,764	\$ 15,473,621	\$ 14,261,436	\$ 14,102,477	\$ 13,877,934	\$ 13,387,819	\$ 13,162,698	\$ 12,697,022	\$ 12,269,384
Net pension liability as a percentage of covered payroll	132.89%	61.34%	103.11%	85.72%	78.94%	93.84%	106.01%	91.53%	78.68%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, the City of Alabaster will only present information for which information is available.

See notes to required supplementary information.

City of Alabaster, Alabama
Schedule of Employer Contributions - Pension
For the Last Nine Years Ended September 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,531,743	\$ 1,470,006	\$ 1,370,341	\$ 1,244,513	\$ 1,304,443	\$ 1,176,745	\$ 1,099,193	\$ 1,161,460	\$ 1,085,256
Contributions in relation to the actuarially determined contributions	<u>1,531,743</u>	<u>1,470,006</u>	<u>1,370,341</u>	<u>1,244,513</u>	<u>1,304,443</u>	<u>1,176,745</u>	<u>1,099,193</u>	<u>1,161,460</u>	<u>1,085,256</u>
Contributions deficiency (excess)	<u>\$ -</u>								
Covered payroll	<u>\$ 17,286,304</u>	<u>\$ 16,165,764</u>	<u>\$ 16,165,764</u>	<u>\$ 14,261,436</u>	<u>\$ 14,102,477</u>	<u>\$ 13,877,934</u>	<u>\$ 13,387,819</u>	<u>\$ 13,162,698</u>	<u>\$ 12,697,022</u>
Contributions as a percentage of covered payroll	<u>8.86%</u>	<u>9.09%</u>	<u>8.48%</u>	<u>8.73%</u>	<u>9.25%</u>	<u>8.48%</u>	<u>8.21%</u>	<u>8.82%</u>	<u>8.55%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, the City of Alabaster will only present information for which information is available.

See notes to required supplementary information.

City of Alabaster, Alabama
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Last Six Years Ended September 30,

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service cost	\$ 841,156	\$ 411,285	\$ 404,110	\$ 374,353	\$ 203,817	\$ 195,865
Interest	784,348	234,380	213,439	274,460	251,989	247,553
Changed in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	579,149	3,264,109	310,616	(401,232)	-	-
Changes in assumptions	(204,450)	4,687,206	525,393	2,837,763	-	-
Benefit payments	(213,306)	(202,186)	(213,596)	(202,461)	(179,033)	(97,573)
Net change in total OPEB liability	1,786,897	8,394,794	1,239,962	2,882,883	276,773	345,845
Total OPEB liability - beginning of year	19,090,555	10,695,761	9,455,799	6,572,916	6,296,143	5,950,298
Total OPEB liability - end of year	\$ 20,877,452	\$ 19,090,555	\$ 10,695,761	\$ 9,455,799	\$ 6,572,916	\$ 6,296,143
Covered payroll	\$ 14,573,423	\$ 14,148,954	\$ 12,726,289	\$ 12,355,620	\$ 11,225,959	\$ 11,225,959
Net OPEB liability as a percentage of covered payroll	143.26%	134.93%	84.04%	76.53%	58.55%	56.09%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, the City of Alabaster will only present information for which information is available.

See notes to required supplementary information.

City of Alabaster, Alabama
Notes to Required Supplementary Information
September 30, 2023

1. Budgetary Information

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

Annually-Budgeted Governmental Funds

General Fund
Capital Projects Fund
Debt Service Fund
American Rescue Plan Act Fund
Special Revenue Funds:
 Four Cent Gas Tax Fund
 Seven Cent Gas Tax Fund
 Ten Cent Gas Tax Fund
 Corrections Fund
 Drug Seizure Fund
 Municipal Training Fund
 Library State Aid Fund
 Municipal Judicial Fund

The City's Public Building Authority Fund, although presented as a major fund, is not legally required to adopt a budget, and did not adopt a budget for the year ended September 30, 2023. As a result, no Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual is presented for the Public Building Authority.

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

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

The annual budget is prepared by fund, department and object. The Mayor or appointed City staff is authorized to make budget transfers by object within each department. Transfers of appropriations between departments or between funds require approval of the City Council. The legal level of budgetary control is by department.

City of Alabaster, Alabama
Notes to Required Supplementary Information
September 30, 2023

1. Budgetary Information (continued)

The original and final/amended budget amounts are reflected in the required supplementary information.

The Following represents expenditures in excess of appropriations of the following amounts by department for the fiscal year ended September 30, 2023:

General government	
Finance	\$ (1,952)
Personnel	\$ (8,804)
Elected officials	\$ (2,487)
Public protection	
Municipal court	\$ (60,663)
Public ways and facilities	
Library	\$ (3,267)
Parks and recreation	\$ (10,030)
Alabaster City Schools	
Payments to the Alabaster Board of Education	\$ (25,409)
Transfers out	\$ (2,061,332)

2. Summary of Significant Pension Plan Practices

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 for the period October 1, 2022 to September 30, 2023:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	20.8 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

City of Alabaster, Alabama
Notes to Required Supplementary Information
September 30, 2023

3. Summary of Significant OPEB Plan Practices

No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 75, paragraph 4, *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*, to pay related benefits.

Methods and assumptions used to determine contribution rates for the period October 1, 2022 to September 30, 2023:

Actuarial cost method	Individual entry age normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Fair value
Inflation	3% annually
Salary increases	3.00% annually
Discount rate	4.09%
Retirement age	Five years delay, 25 years of service at any age, but not later than age 60; or attainment of age 60 and 10 years of service; employees hired on or after January 1, 2013 are not eligible to retire until age 62
Mortality	SOA RP-2014 Combined Mortality Table
Turnover	Age-specific table with an average of 5% when applied to the active census

SUPPLEMENTARY INFORMATION

City of Alabaster, Alabama
Combining Balance Sheets
Nonmajor Governmental Funds
September 30, 2023

	Capital Projects	Special Revenue									Total Nonmajor Governmental Funds	
		Subdivision Capital Projects		7 Cent Gas Tax	4 Cent Gas Tax	10 Cent Gas Tax	Corrections	Drug Seizure	Municipal Training	Library State Aid	Municipal Judicial	
	Capital Projects	Capital Projects	7 Cent Gas Tax	4 Cent Gas Tax	10 Cent Gas Tax	Corrections	Drug Seizure	Municipal Training	Library State Aid	Municipal Judicial	Total	
Assets												
Cash and cash equivalents - restricted	\$ 427,612	\$ 20,169	\$ 16,059	\$ 67,685	\$ 99,860	\$ 48,454	\$ 63,805	\$ 1,577	\$ 6,038	\$ 323,647	\$ 751,259	
Other receivables	-	-	-	-	7,458	-	399	-	1,870	9,727	9,727	
Total assets	\$ 427,612	\$ 20,169	\$ 16,059	\$ 67,685	\$ 107,318	\$ 48,454	\$ 64,204	\$ 1,577	\$ 7,908	\$ 333,374	\$ 760,986	
Liabilities												
Accounts payable and accrued expense	\$ -	\$ -	\$ -	\$ -	\$ 18,466	\$ -	\$ -	\$ 1,504	\$ -	\$ 19,970	\$ 19,970	
Payable from restricted assets - cash bonds	163,357	-	-	-	-	-	-	-	-	-	163,357	
Total liabilities	163,357	-	-	-	18,466	-	-	1,504	-	19,970	183,327	
Fund balance (deficit)												-
Restricted for Capital improvements	264,255	-	-	-	-	-	-	-	-	-	264,255	
Library	-	-	-	-	-	-	-	73	-	73	73	
Public protection	-	-	-	-	88,852	48,454	64,204	-	7,908	209,418	209,418	
Infrastructure maintenance	-	20,169	16,059	67,685	-	-	-	-	-	103,913	103,913	
Total liabilities and fund balance	\$ 427,612	\$ 20,169	\$ 16,059	\$ 67,685	\$ 107,318	\$ 48,454	\$ 64,204	\$ 1,577	\$ 7,908	\$ 333,374	\$ 760,986	

City of Alabaster, Alabama
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Capital Projects	Special Revenue									Total Nonmajor Governmental Funds
		Subdivision Capital Projects	7 Cent Gas Tax	4 Cent Gas Tax	10 Cent Gas Tax	Corrections	Drug Seizure	Municipal Training	Library State Aid	Municipal Judicial	
Revenues											
Intergovernmental	\$ -	\$ 74,252	\$ 58,795	\$ 255,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,865
Fines and forfeitures	-	-	-	-	71,614	-	4,245	-	17,208	93,067	93,067
Donations, gifts, and grants	-	-	-	-	-	-	-	33,395	-	33,395	33,395
Interest	2,704	394	214	931	885	-	399	48	58	2,929	5,633
Other	-	27,054	-	-	-	-	-	-	-	27,054	27,054
Total revenues	2,704	101,700	59,009	256,749	72,499	-	4,644	33,443	17,266	545,310	548,014
Expenditures, current											
General government	-	-	-	-	-	-	-	-	-	-	-
Public protection	-	-	-	-	92,313	-	2,069	-	-	94,382	94,382
Public ways and facilities	-	-	-	-	-	-	-	32,868	-	32,868	32,868
Total expenditures	-	-	-	-	92,313	-	2,069	32,868	-	127,250	127,250
Capital Outlay											
Other Financing (uses) sources											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(129,000)	(72,500)	(318,000)	(75,000)	-	-	(851)	(17,600)	(612,951)	(612,951)
Total Financing (uses) sources	-	(129,000)	(72,500)	(318,000)	(75,000)	-	-	(851)	(17,600)	(612,951)	(612,951)
Net change in fund balance	2,704	(27,300)	(13,491)	(61,251)	(94,814)	-	2,575	(276)	(334)	(194,891)	(192,187)
Fund balance - beginning of year	261,551	47,469	29,550	128,936	183,666	48,454	61,629	349	8,242	508,295	769,846
Fund balance - end of year	\$ 264,255	\$ 20,169	\$ 16,059	\$ 67,685	\$ 88,852	\$ 48,454	\$ 64,204	\$ 73	\$ 7,908	\$ 313,404	\$ 577,659

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Capital Projects Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Donations, gifts, and grants	\$ 300,000	\$ 300,000	\$ 307,458	\$ 7,458
Interest	20,000	600,000	694,046	94,046
Other	-	(93,419)	(93,419)	-
Total revenue	320,000	806,581	908,085	101,504
Expenditures, current				
Public ways and facilities	100,000	100,000	246,771	(146,771)
Capital outlay	11,254,814	12,131,596	15,698,118	(3,566,522)
Debt service				
Interest and fees	-	140,744	-	140,744
Total expenditures	11,354,814	12,372,340	15,944,889	(3,572,549)
Excess (deficiency) of revenue over (under) expenditures	(11,034,814)	(11,565,759)	(15,036,804)	3,471,045
Other financing sources (uses)				
Transfers in	-	310,350	6,855,072	(6,544,722)
Transfers out	-		(1,630,451)	1,630,451
Total other financing sources (uses)	-	310,350	5,224,621	(4,914,271)
Net change in fund balance	\$ (11,034,814)	\$ (11,255,409)	\$ (9,812,183)	\$ (1,443,226)

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Debt Service Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Interest	\$ 150	\$ 30,000	\$ 73,204	\$ 43,204
Total revenue	150	30,000	73,204	43,204
Expenditures, current				
Principal retirement	3,045,000	3,045,000	3,105,000	(60,000)
Interest and fees	1,760,418	1,760,418	1,611,599	148,819
Total expenditures	4,805,418	4,805,418	4,716,599	88,819
Excess (deficiency) of revenue over (under) expenditures	(4,805,268)	(4,775,418)	(4,643,395)	(132,023)
Other financing sources (uses)				
Transfers in	-	4,799,620	4,728,250	71,370
Total other financing sources (uses)	-	4,799,620	4,728,250	71,370
Net change in fund balance	\$ (4,805,268)	\$ 24,202	\$ 84,855	\$ (60,653)

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Seven Cent Gas Tax Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 74,252	\$ 4,252
Interest	200	200	394	194
Other	-	-	27,054	27,054
Total revenue	<u>70,200</u>	<u>70,200</u>	<u>101,700</u>	<u>31,500</u>
Expenditures, current				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>70,200</u>	<u>70,200</u>	<u>101,700</u>	<u>(31,500)</u>
Other financing sources (uses)				
Transfers out	(70,000)	(70,000)	(129,000)	59,000
Total other financing sources (uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(129,000)</u>	<u>59,000</u>
Net change in fund balance	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ (27,300)</u>	<u>\$ 27,500</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Four Cent Gas Tax Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 58,795	\$ (1,205)
Interest	100	100	214	114
Total revenue	<u>60,100</u>	<u>60,100</u>	<u>59,009</u>	<u>(1,091)</u>
Excess (deficiency) of revenue over (under) expenditures	60,100	60,100	59,009	1,091
Other financing sources (uses)				
Transfers out	(60,000)	(60,000)	(72,500)	12,500
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(72,500)</u>	<u>12,500</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ (13,491)</u>	<u>\$ 13,591</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Ten Cent Gas Tax Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 255,818	\$ 75,818
Interest	350	350	931	581
Total revenue	<u>180,350</u>	<u>180,350</u>	<u>256,749</u>	<u>76,399</u>
Excess (deficiency) of revenue over (under) expenditures	<u>180,350</u>	<u>180,350</u>	<u>256,749</u>	<u>(76,399)</u>
Other financing sources (uses)				
Transfers out	(180,350)	(180,350)	(318,000)	137,650
Total other financing sources (uses)	<u>(180,350)</u>	<u>(180,350)</u>	<u>(318,000)</u>	<u>137,650</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,251)</u>	<u>\$ 61,251</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Corrections Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Fines and forfeitures	\$ 70,000	\$ 70,000	\$ 71,614	\$ 1,614
Interest	400	400	885	485
Total revenue	<u>70,400</u>	<u>70,400</u>	<u>72,499</u>	<u>2,099</u>
Expenditures, current				
Public protection	53,300	57,800	92,313	(34,513)
Total expenditures	<u>53,300</u>	<u>57,800</u>	<u>92,313</u>	<u>(34,513)</u>
Excess (deficiency) of revenue over (under) expenditures	17,100	12,600	(19,814)	32,414
Other financing sources (uses)				
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (57,900)</u>	<u>\$ (62,400)</u>	<u>\$ (94,814)</u>	<u>\$ 32,414</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Municipal Training Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Fines and forfeitures	\$ 4,500	\$ 4,500	\$ 4,245	\$ (255)
Interest	100	100	399	299
Total revenue	<u>4,600</u>	<u>4,600</u>	<u>4,644</u>	<u>44</u>
Expenditures, current				
Public protection	4,500	4,500	2,069	2,431
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,069</u>	<u>2,431</u>
Excess (deficiency) of revenue over (under) expenditures	100	100	2,575	(2,475)
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 2,575</u>	<u>\$ (2,475)</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Library State Aid Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Donations, gifts, and grants	\$ 32,450	\$ 31,875	\$ 33,395	\$ 1,520
Interest	50	50	48	(2)
Total revenue	<u>32,500</u>	<u>31,925</u>	<u>33,443</u>	<u>1,518</u>
Expenditures, current				
Public ways and facilities	32,500	32,500	32,868	(368)
Total expenditures	<u>32,500</u>	<u>32,500</u>	<u>32,868</u>	<u>(368)</u>
Excess (deficiency) of revenue over (under) expenditures	-	(575)	575	(1,150)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(851)	851
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(851)</u>	<u>851</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (575)</u>	<u>\$ (276)</u>	<u>\$ (299)</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Municipal Judicial Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Revenues				
Fines and forfeitures	\$ 17,500	\$ 17,500	\$ 17,208	\$ (292)
Interest	100	100	58	(42)
Total revenue	<u>17,600</u>	<u>17,600</u>	<u>17,266</u>	<u>(334)</u>
Expenditures, current				
Public protection	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenue over (under) expenditures	17,600	17,600	17,266	334
Other financing sources (uses)				
Transfers out	(17,600)	(17,600)	(17,600)	-
Total other financing sources (uses)	<u>(17,600)</u>	<u>(17,600)</u>	<u>(17,600)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (334)</u>	<u>\$ 334</u>

City of Alabaster, Alabama
 Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
 Sewer Fund
 For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Operating revenues				
Charges for services	\$ 7,585,200	\$ 7,406,300	\$ 7,521,508	\$ 115,208
Total operating revenues	<u>7,585,200</u>	<u>7,406,300</u>	<u>7,521,508</u>	<u>115,208</u>
Operating expenses				
Administration, operations, and maintenance	4,281,130	4,432,569	4,862,129	(429,560)
Depreciation and amortization	-	-	1,337,853	(1,337,853)
Total operating expenses	<u>4,281,130</u>	<u>4,432,569</u>	<u>6,199,982</u>	<u>(1,767,413)</u>
Operating income	<u>3,304,070</u>	<u>2,973,731</u>	<u>1,321,526</u>	<u>(1,652,205)</u>
Non-operating revenues (expenses)				
Interest income	15,000	300,000	540,598	(240,598)
Gain on sale of assets	-	9,200	11,035	(1,835)
Interest expense	(662,250)	(662,250)	(926,428)	264,178
Total non-operating revenues (expenses)	<u>(647,250)</u>	<u>(353,050)</u>	<u>(374,795)</u>	<u>21,745</u>
Income before transfers	<u>2,656,820</u>	<u>2,620,681</u>	<u>946,731</u>	<u>(1,673,950)</u>
Transfers out	-	-	-	-
Net change in net position	<u>\$ 2,656,820</u>	<u>\$ 2,620,681</u>	<u>\$ 946,731</u>	<u>\$ (1,673,950)</u>

City of Alabaster, Alabama

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Garbage Fund
For the Year Ended September 30, 2023

	Budgeted - Original	Budgeted - Final	Actual	Variance w/ Final Budget
Operating revenues				
Charges for services	\$ 2,500,000	\$ 2,490,000	\$ 2,566,128	\$ 76,128
Total operating revenues	<u>2,500,000</u>	<u>2,490,000</u>	<u>2,566,128</u>	<u>76,128</u>
Operating expenses				
Administration, operations, and maintenance	1,965,850	1,965,850	1,871,571	94,279
Depreciation and amortization	-	-	309,648	(309,648)
Total operating expenses	<u>1,965,850</u>	<u>1,965,850</u>	<u>2,181,219</u>	<u>(215,369)</u>
Operating income	534,150	524,150	384,909	(139,241)
Non-operating revenues (expenses)				
Interest income	2,000	12,000	26,901	(14,901)
Loss on sale of assets	-	-	(58,490)	58,490
Total non-operating revenues (expenses)	<u>2,000</u>	<u>12,000</u>	<u>(31,589)</u>	<u>43,589</u>
Income before transfers	536,150	536,150	353,320	(182,830)
Transfers out	<u>(226,800)</u>	<u>(226,800)</u>	<u>(226,800)</u>	<u>-</u>
Net change in net position	<u>\$ 309,350</u>	<u>\$ 309,350</u>	<u>\$ 126,520</u>	<u>\$ (182,830)</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Alabaster's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, not disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	93
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	97
These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	
Debt Capacity	100
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	106
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 these schedules is derived from the annual comprehensive report for the relevant year.

City of Alabaster, Alabama
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 4,605,009	\$ 7,539,651	\$ 9,997,341	\$ 13,924,182	\$ 7,177,922	\$ 19,272,518	\$ 22,293,169	\$ 34,835,604	\$ 42,995,211	\$ 32,431,993
Restricted	16,008,837	5,693,147	4,947,988	3,689,564	22,999,466	18,580,134	19,525,974	13,202,305	5,294,231	18,276,237
Unrestricted	(887,659)	(7,311,897)	(6,926,064)	(5,901,256)	(13,426,108)	(15,254,824)	(13,790,121)	(11,699,849)	(11,678,749)	(5,914,769)
Total governmental activities net position	\$ 19,726,187	\$ 5,920,901	\$ 8,019,265	\$ 11,712,490	\$ 16,751,280	\$ 22,597,828	\$ 28,029,022	\$ 36,338,060	\$ 36,610,693	\$ 44,793,461
Business-type Activities										
Net investment in capital assets	\$ 14,280,622	\$ 13,534,948	\$ 16,707,356	\$ 17,797,509	\$ 20,287,367	\$ 22,948,107	\$ 23,694,199	\$ 24,733,574	\$ 8,456,099	\$ 28,539,479
Restricted	4,442,175	4,141,397	4,143,283	3,551,046	3,257,604	1,955,070	2,202,348	2,765,007	2,139,572	81,691
Unrestricted	2,076,734	3,329,812	1,162,358	1,862,945	3,879,985	4,585,480	5,740,165	6,589,465	27,402,302	10,512,507
Total business-type net position	\$ 20,799,531	\$ 21,006,157	\$ 22,012,997	\$ 23,211,500	\$ 27,424,956	\$ 29,488,657	\$ 31,636,712	\$ 34,088,046	\$ 37,997,973	\$ 39,133,677
Primary Government										
Net investment in capital assets	\$ 18,885,631	\$ 21,074,599	\$ 26,704,697	\$ 31,721,691	\$ 27,465,289	\$ 42,220,625	\$ 45,987,368	\$ 59,569,178	\$ 51,451,310	\$ 60,971,472
Restricted	20,451,012	9,834,544	9,091,271	7,240,610	26,257,070	20,535,204	21,728,322	15,967,312	7,433,803	18,357,928
Unrestricted	1,189,075	(3,982,085)	(5,763,706)	(4,038,311)	(9,546,123)	(10,669,344)	(8,049,956)	(5,110,384)	15,723,553	4,597,738
Total primary government net position	\$ 40,525,718	\$ 26,927,058	\$ 30,032,262	\$ 34,923,990	\$ 44,176,236	\$ 52,086,485	\$ 59,665,734	\$ 70,426,106	\$ 74,608,666	\$ 83,927,138

Note: Periods prior to 2015 have not been retroactively restated for the impact of GASB 68 *Accounting and Financial Reporting for Pensions* or for the impact of GASB 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Note: Periods prior to 2018 have not been retroactively restated for the impact of GASB statement number 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

City of Alabaster, Alabama

Change in Net Position

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General government	\$ 3,775,162	\$ 3,480,383	\$ 4,158,766	\$ 3,921,824	\$ 4,101,889	\$ 4,065,932	\$ 5,691,147	\$ 6,315,275	\$ 8,500,586	\$ 7,166,245
Public protection	12,506,354	13,109,407	13,456,908	14,013,057	14,926,315	14,668,791	15,386,841	17,022,343	17,826,376	19,703,393
Public ways and facilities	6,165,130	5,544,769	6,108,188	5,947,852	5,621,378	5,574,883	5,455,580	6,026,204	6,468,316	9,318,059
Alabaster City Schools	5,051,429	4,786,650	5,051,840	5,248,608	5,339,258	5,383,370	5,456,014	6,306,975	1,669,619	7,061,611
Interest and fiscal agent fees	1,415,788	1,247,734	1,349,761	1,751,394	1,828,449	1,466,107	1,472,563	1,667,575	6,850,557	1,891,688
Total governmental activities expenses	<u>28,913,863</u>	<u>28,168,943</u>	<u>30,125,463</u>	<u>30,882,735</u>	<u>31,817,289</u>	<u>31,159,083</u>	<u>33,462,145</u>	<u>37,338,372</u>	<u>41,315,454</u>	<u>45,140,996</u>
Business-type Activities										
Sewer Fund	4,693,094	4,783,187	4,801,538	4,959,354	4,990,171	4,534,884	4,710,204	5,050,404	5,706,086	7,126,410
Garbage Fund	1,595,748	1,612,760	1,664,307	1,675,668	1,649,636	1,550,396	1,645,723	1,942,266	1,881,198	2,181,219
Total business-type activities expenses	<u>6,288,842</u>	<u>6,395,947</u>	<u>6,465,845</u>	<u>6,635,022</u>	<u>6,639,807</u>	<u>6,085,280</u>	<u>6,355,927</u>	<u>6,992,670</u>	<u>7,587,284</u>	<u>9,307,629</u>
Total primary government expenses	<u>\$ 35,202,705</u>	<u>\$ 34,564,890</u>	<u>\$ 36,591,308</u>	<u>\$ 37,517,757</u>	<u>\$ 38,457,096</u>	<u>\$ 37,244,363</u>	<u>\$ 39,818,072</u>	<u>\$ 44,331,042</u>	<u>\$ 48,902,738</u>	<u>\$ 54,448,625</u>
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 3,485,869	\$ 3,800,853	\$ 4,028,686	\$ 4,464,892	\$ 4,841,293	\$ 4,938,033	\$ 5,347,659	\$ 5,418,239	\$ 5,795,200	\$ 5,749,680
Public protection	1,154,153	757,604	629,183	596,822	571,001	512,161	566,376	530,729	558,002	513,355
Public ways and facilities	418,779	481,762	446,213	492,797	654,909	480,133	249,191	383,073	322,554	403,243
Alabaster City Schools	-	-	-	-	-	-	-	-	-	-
Interest and fiscal agent fees	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	176,333	288,631	145,202	128,088	316,567	152,688	1,270,149	2,535,814	6,454,127	587,594
Capital grants and contributions	285,710	258,968	266,448	381,147	650,121	558,026	600,060	784,390	339,287	1,389,469
Total governmental activities program revenues	<u>5,520,844</u>	<u>5,587,818</u>	<u>5,515,732</u>	<u>6,063,746</u>	<u>7,033,891</u>	<u>6,641,041</u>	<u>8,033,435</u>	<u>9,652,245</u>	<u>13,469,170</u>	<u>8,643,341</u>

City of Alabaster, Alabama

Change in Net Position
Last Ten Fiscal Years
(Continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities										
Charges for services										
Sewer fund	\$ 5,655,249	\$ 6,057,895	\$ 6,079,734	\$ 6,188,063	\$ 5,489,966	\$ 6,594,233	\$ 6,708,428	\$ 7,127,323	\$ 9,314,488	\$ 7,521,508
Garbage fund	1,930,326	2,098,938	2,080,767	2,130,030	1,862,332	2,188,230	2,114,330	2,272,226	2,310,255	2,566,128
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>7,585,575</u>	<u>8,156,833</u>	<u>8,160,501</u>	<u>8,318,093</u>	<u>7,352,298</u>	<u>8,782,463</u>	<u>8,822,758</u>	<u>9,399,549</u>	<u>11,624,743</u>	<u>10,087,636</u>
Total primary government revenues	<u><u>\$ 13,106,419</u></u>	<u><u>\$ 13,744,651</u></u>	<u><u>\$ 13,676,233</u></u>	<u><u>\$ 14,381,839</u></u>	<u><u>\$ 14,386,189</u></u>	<u><u>\$ 15,423,504</u></u>	<u><u>\$ 16,856,193</u></u>	<u><u>\$ 19,051,794</u></u>	<u><u>\$ 25,093,913</u></u>	<u><u>\$ 18,730,977</u></u>
General revenues and other changes in net positions										
Governmental Activities										
Taxes										
Sales and use taxes	\$ 17,445,165	\$ 18,936,975	\$ 20,338,071	\$ 21,055,097	\$ 21,615,731	\$ 21,903,031	\$ 23,306,765	\$ 26,697,868	\$ 29,911,639	\$ 33,430,849
Property taxes	3,324,069	3,411,038	3,589,515	3,810,550	3,816,678	3,938,198	4,157,839	4,442,211	4,721,433	5,306,973
Other taxes	1,231,616	1,507,684	1,549,645	1,568,464	1,724,405	1,764,406	1,892,673	2,045,273	1,845,886	1,951,967
Interest	5,727	5,594	26,757	32,634	114,607	233,601	211,799	58,784	77,397	1,061,355
Gain (loss) on disposal of assets	-	-	-	-	(74,890)	30,568	19,428	27,473	38,935	96,289
Other revenue	-	654,947	514,107	1,336,196	1,460,259	2,264,031	1,892,111	1,750,122	1,927,579	2,549,629
Contribution of capital assets	459,392	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>22,465,969</u>	<u>24,516,238</u>	<u>26,018,095</u>	<u>27,802,941</u>	<u>28,656,790</u>	<u>30,133,835</u>	<u>31,480,615</u>	<u>35,021,731</u>	<u>38,522,869</u>	<u>44,397,062</u>
Business-Type Activities										
Interest	\$ 148	\$ 163	\$ 934	\$ 17,074	\$ 28,016	\$ 59,242	\$ 52,613	\$ 17,889	\$ 20,690	\$ 567,499
Other revenue	24,157	(19,564)	1,250	207,631	-	-	-	-	-	-
Contribution of capital assets	25,000	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	1,991	7,900	-	107,865	(47,455)	-
Total business-type activities	<u>49,305</u>	<u>(19,401)</u>	<u>2,184</u>	<u>224,705</u>	<u>28,016</u>	<u>61,233</u>	<u>60,513</u>	<u>17,889</u>	<u>128,555</u>	<u>520,044</u>

City of Alabaster, Alabama
Change in Net Position
Last Ten Fiscal Years
(Continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transfers										
Governmental activities	\$ 420,000	\$ 690,000	\$ 690,000	\$ 709,273	\$ (3,888,562)	\$ 1,025,650	\$ 379,289	\$ (26,566)	\$ 256,047	\$ 226,800
Business-type activities	(420,000)	(690,000)	(690,000)	(709,273)	3,888,562	(1,025,650)	(379,289)	26,566	(256,047)	(226,800)
Total transfers	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ 22,515,274	\$ 24,496,837	\$ 26,020,279	\$ 28,027,646	\$ 28,684,806	\$ 30,195,068	\$ 31,541,128	\$ 35,039,620	\$ 38,651,424	\$ 44,917,106
Change in net position										
Governmental activities	\$ (507,050)	\$ 2,625,113	\$ 2,098,364	\$ 3,693,225	\$ (15,170)	\$ 6,641,443	\$ 6,431,194	\$ 7,309,038	\$ 10,932,632	\$ 8,126,207
Business-type activities	926,038	1,051,485	1,006,840	1,198,503	4,629,069	1,732,766	2,148,055	2,451,334	3,909,967	1,073,251
Total primary government	\$ 418,988	\$ 3,676,598	\$ 3,105,204	\$ 4,891,728	\$ 4,613,899	\$ 8,374,209	\$ 8,579,249	\$ 9,760,372	\$ 14,842,599	\$ 9,199,458

Note: Periods prior to 2015 have not been retroactively restated for the impact of GASB 68 *Accounting and Financial Reporting for Pensions* or for the impact of GASB 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Note: Periods prior to 2018 have not been retroactively restated for the impact of GASB statement number 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

City of Alabaster, Alabama
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 170,745	\$ 169,835	\$ 234,803	\$ 213,784	\$ 192,369	\$ 129,101	\$ 1,183,596	\$ 134,597	\$ 152,543	\$ 102,727
Restricted	102,382	140,785	111,407	160,149	173,800	194,513	205,225	219,039	139,164	177,771
Committed	1,920,094	2,611,229	2,911,229	3,235,988	3,590,988	3,896,016	3,755,919	3,801,446	3,866,583	3,950,195
Assigned	46,857	69,540	93,319	114,165	-	-	-	-	-	-
Unassigned	(68,429)	2,078,689	2,767,622	2,736,579	4,897,539	5,556,471	6,926,186	8,266,717	8,858,271	9,035,868
Total General Fund	\$ 2,171,649	\$ 5,070,078	\$ 6,118,380	\$ 6,460,665	\$ 8,854,696	\$ 9,776,101	\$ 12,070,926	\$ 12,421,799	\$ 13,016,561	\$ 13,266,561
All other governmental funds										
Nonspendable	\$ 12,160,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 140,903	\$ 140,903
Restricted	4,187,427	4,052,362	4,836,581	3,529,415	22,825,666	23,497,745	22,256,951	31,932,375	34,826,602	22,836,063
Total all other governmental funds	\$ 16,347,427	\$ 5,552,362	\$ 6,336,581	\$ 5,029,415	\$ 22,825,666	\$ 23,497,745	\$ 22,256,951	\$ 31,932,375	\$ 34,967,505	\$ 22,976,966

Note: Periods prior to 2018 have not been retroactively restated for the impact of GASB statement number 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

City of Alabaster, Alabama
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 22,128,499	\$ 23,855,697	\$ 25,477,231	\$ 26,434,111	\$ 27,156,814	\$ 27,605,635	\$ 29,357,277	\$ 33,185,352	\$ 36,478,958	\$ 40,689,789
Licenses and permits	3,228,987	3,800,853	4,028,686	4,464,892	4,701,274	4,774,471	5,204,372	5,312,364	5,705,843	5,624,209
Intergovernmental	294,782	472,605	367,788	327,068	474,384	335,164	1,511,640	409,371	499,251	526,370
Charges for services	479,492	481,762	446,213	492,797	408,009	379,752	176,471	370,180	307,332	386,659
Fines and forfeitures	799,065	757,604	629,183	596,822	817,901	613,899	639,786	544,402	662,581	655,410
Donations, gifts, and grants	49,525	74,994	43,862	182,167	492,307	340,550	358,569	2,900,871	6,294,163	369,590
Interest	5,727	5,542	26,757	32,639	114,607	233,601	211,799	58,784	77,397	1,061,355
Other revenues	551,345	655,000	514,107	1,344,303	1,600,275	2,426,236	2,034,708	1,865,180	1,927,579	2,549,629
Total revenues	27,537,422	30,104,057	31,533,827	33,874,799	35,765,571	36,709,308	39,494,622	44,646,504	51,953,104	51,863,011
Expenditures										
General government	2,873,907	3,105,738	3,116,548	3,295,794	3,514,628	3,569,720	4,278,859	9,456,880	5,668,860	5,743,986
Public protection	12,128,532	12,452,586	13,372,424	13,573,165	14,014,075	13,999,733	13,969,722	15,276,508	16,503,100	17,909,151
Public ways and facilities	5,185,744	4,681,529	5,090,516	4,902,700	4,720,641	4,723,213	5,408,644	5,053,996	7,749,305	6,314,132
Alabaster City Schools										
Payments to the Alabaster Board of Education	4,969,672	4,634,081	5,051,840	5,248,608	5,339,258	5,383,370	5,456,014	6,306,975	6,850,557	7,061,611
Payments to the schools	69,000	-	-	-	-	-	-	-	-	-
Other payments	12,757	4,472	-	-	-	-	-	-	-	-
Debt service										
Debt retirement	2,321,875	2,125,000	2,348,188	4,080,000	3,050,016	3,128,077	3,369,300	3,494,189	3,365,000	3,780,000
Interest and fiscal agent fees	1,421,465	1,341,639	1,880,661	1,681,775	1,074,242	1,495,554	1,594,288	1,589,692	1,718,901	2,097,543
Bond issuance cost	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,763,019	902,371	971,129	2,720,583	3,231,497	3,874,953	4,948,003	10,792,125	18,243,056	21,120,456
Total expenditures	30,745,971	29,247,416	31,831,306	35,502,625	34,944,357	36,174,620	39,024,830	51,970,365	60,098,779	64,026,879
Other financing sources (uses)										
Other financing uses - refunding of debt	-	-	(5,425,000)	-	(8,100,000)	-	(13,155,000)	-	-	-
Proceeds of debt	-	-	6,865,000	-	19,035,000	-	12,615,000	16,030,000	20,545,000	-
Note payable issued	1,500,000	-	-	-	-	-	-	-	-	-
Lease obligation issued	400,000	-	-	-	1,366,564	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	40,762	33,146	25,000	27,473	57,875	196,529
Bond premium (discount)	-	-	-	-	887,591	-	729,950	878,330	1,595,744	-
Transfers in	4,990,654	4,950,955	5,114,941	7,286,226	-	7,819,095	8,024,128	13,013,124	16,350,127	14,328,240
Transfers out	(4,570,654)	(4,260,955)	(4,424,941)	(6,596,226)	(3,888,562)	(6,793,445)	(7,644,839)	(12,608,769)	(16,113,177)	(14,101,440)
Total other financing sources (uses)	2,320,000	690,000	2,130,000	690,000	9,341,355	1,058,796	594,239	17,340,158	22,435,569	423,329
Net changes in fund balances	\$ (888,549)	\$ 1,546,641	\$ 1,832,521	\$ (937,826)	\$ 10,162,569	\$ 1,593,484	\$ 1,064,031	\$ 10,016,297	\$ 14,289,894	\$ (11,740,539)
Debt service as a percentage of noncapital expenditures	12.92%	12.23%	13.70%	17.58%	13.01%	14.31%	14.57%	12.35%	12.15%	13.70%

City of Alabaster, Alabama
Sales Tax Revenue Payers by Category
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Automotive Sales	\$ 500,210	\$ 615,139	\$ 704,882	\$ 713,844	\$ 703,694	\$ 698,323	\$ 799,140	\$ 1,072,511	\$ 1,209,276	\$ 1,289,410
Food Stores	1,369,109	1,683,281	2,237,168	2,420,058	2,462,345	2,407,761	2,633,160	2,777,990	2,773,212	3,103,771
Home Furnishings & Building Supply	1,823,604	2,014,108	2,188,486	2,239,012	2,432,016	2,590,082	3,290,241	3,109,755	3,713,562	4,147,890
Medical Sales & Pharmacy	492,757	516,774	1,556,610	1,306,417	983,213	784,585	717,986	734,310	926,907	1,029,420
Merchandise Retail	7,126,430	7,687,963	7,612,708	7,647,978	7,751,274	8,038,458	8,068,491	9,291,667	10,995,024	12,306,847
Restaurants	2,642,894	2,889,759	2,959,642	3,008,709	3,091,716	3,209,039	3,039,247	4,919,317	4,266,882	4,771,586
Service Stations & Auto Parts	1,352,059	1,202,440	1,219,439	1,190,982	1,338,268	1,457,980	1,382,143	1,450,831	1,855,757	2,075,264
Other Sales	2,138,103	2,327,510	1,859,137	2,528,097	2,853,205	3,158,246	2,306,225	3,764,310	4,154,153	4,706,661
Total	\$ 17,445,166	\$ 18,936,974	\$ 20,338,072	\$ 21,055,097	\$ 21,615,731	\$ 22,344,474	\$ 22,236,633	\$ 27,120,691	\$ 29,894,773	\$ 33,430,849

The City's portion of direct sales tax rate was 5% beginning on May 1, 2023 and was 4% for all periods presented prior to May 1, 2023.

Source: City of Alabaster Revenue Department

City of Alabaster, Alabama
 Direct and Overlapping Sales tax Rates
 Last Ten Fiscal Years

Fiscal Year	City Direct Rate (*)	Shelby County	State of Alabama	Total Sales Tax
2014	4.00%	1.00%	4.00%	9.00%
2015	4.00%	1.00%	4.00%	9.00%
2016	4.00%	1.00%	4.00%	9.00%
2017	4.00%	1.00%	4.00%	9.00%
2018	4.00%	1.00%	4.00%	9.00%
2019	4.00%	1.00%	4.00%	9.00%
2020	4.00%	1.00%	4.00%	9.00%
2021	4.00%	1.00%	4.00%	9.00%
2022	4.00%	1.00%	4.00%	9.00%
2023	5.00%	1.00%	4.00%	10.00%

Sources: City Finance Department, Shelby County Revenue Commissioner's Office and Alabama Department of Revenue

(*) City sales tax rate was raised from 4.00% to 5.00% effective May 1, 2023.

City of Alabaster, Alabama
 Principal Sales and Use Taxpayers
 Current Year and Nine Years Ago

Taxpayer	2014 Rank	2023 Rank
Walmart Supercenter	1	1
Lowe's Home Improvement	2	2
Target	4	3
Walmart Neighborhood Market		4
Publix	3	5
T.J. Maxx	9	6
Aldi		7
Ross Dress for Less, Inc.		8
Chick-Fil-A		9
Dick's Sporting Goods		10
Belk	5	
Best Buy	6	
AGC Automotive Alabama, Inc.	7	
JC Penney	8	
Belle Foods LLC (Bruno's Supermarket)	10	
 Total sales and use taxes - principal payers	 43.69%	 37.23%

Note: State law prohibits the disclosure of confidential taxpayer data, such as the amount of sales tax remitted for individual businesses.

Source: City of Alabaster Revenue Department

City of Alabaster, Alabama
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				General Obligation Warrants	Lease revenue bonds	Lease obligation	Term Loan	General Obligation Warrants	Lease revenue bonds	Lease obligation	Term Loan	Total Primary Government	Total Personal Income (*)	Percentage of Total Personal Income	Estimated Actual Value of Taxable Property (**)	Actual Value of Taxable Property	Percentage of Estimated Actual Value of Taxable Property	Population (*)	Actual Value of Population Per Capita
	General Obligation Warrants	Lease revenue bonds	Lease obligation	Term Loan	General Obligation Warrants	Lease revenue bonds	Lease obligation	Term Loan																
2014	\$43,915,874	\$ -	\$ 372,191	\$1,500,000	\$21,160,000	\$ -	\$ -	\$ 3,537	\$ 66,951,602	\$ 882,721,280	7.58%	\$ 339,300,940	19.73%	32,115	2,085									
2015	41,114,202	-	259,798	1,500,000	19,668,886	-	168,236	-	62,711,122	895,583,074	7.00%	356,267,120	17.60%	32,707	1,917									
2016	40,241,159	-	259,144	-	17,915,000	-	244,798	-	58,660,101	930,418,572	6.30%	403,616,580	14.53%	32,948	1,780									
2017	37,394,983	-	160,035	-	16,215,000	-	164,626	-	53,934,644	930,418,572	5.80%	401,483,420	13.43%	33,202	1,624									
2018	46,194,233	-	1,246,566	-	14,578,949	-	83,248	-	62,102,996	964,053,272	6.44%	423,648,440	14.66%	32,567	1,907									
2019	43,480,022	-	763,489	-	12,748,668	-	19,268	-	57,011,447	1,018,608,472	5.60%	456,733,560	12.48%	33,487	1,702									
2020	40,758,782	-	304,189	-	11,064,907	-	-	-	52,127,878	1,051,741,116	4.96%	480,410,480	10.85%	33,284	1,566									
2021	37,419,606	16,859,008	-	-	10,068,665	-	-	-	64,347,279	1,221,024,408	5.27%	485,963,713	13.24%	33,676	1,911									
2022	56,358,078	16,490,671	-	-	26,823,357	-	-	-	99,672,106	1,325,856,966	6.08%	537,646,577	14.99%	33,873	2,379									
2023	54,468,796	14,278,334	-	-	25,085,873	-	-	-	93,833,003	#	#	#	#	#	#									

(*) Obtained from the U.S. Census Bureau

(**) Obtained from Shelby County Tax Assessor's Office

(#) Information not available

City of Alabaster, Alabama
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	Less Amounts		Net General Bonded Debt	Estimated Actual Value of Taxable Property (**)	Percentage of Estimated Actual Value of		
		Available for Debt Service	Population (*)					Per Capita
2014	43,915,874	1,986,574	41,929,300	339,300,940	12.36%	32,115	1,306	
2015	41,114,202	1,653,164	39,461,038	356,267,120	11.08%	32,707	1,207	
2016	40,241,159	1,318,141	38,923,018	403,616,580	9.64%	32,948	1,181	
2017	37,394,983	988,432	36,406,551	401,483,420	9.07%	33,202	1,097	
2018	60,773,182	1,607,928	59,165,254	423,648,440	13.97%	32,567	1,817	
2019	56,228,710	1,838,056	54,390,654	456,733,560	11.91%	33,487	1,624	
2020	51,823,689	1,125,043	50,698,646	480,410,480	10.55%	33,284	1,523	
2021	64,347,279	1,485,843	62,861,436	485,963,713	12.94%	33,676	1,867	
2022	80,598,357	1,900,752	78,697,605	537,646,577	14.64%	33,873	2,323	
2023	78,488,536	1,985,607	76,502,929	#	#	#	#	

(*) Obtained from the U.S. Census Bureau

(**) Obtained from Shelby County Tax Assessor's Office

(#) Information not available

City of Alabaster, Alabama
Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2023

	Total Debt Outstanding	Percentage Applicable to City of Alabaster (*)	Amount Applicable to City of Alabaster
Direct Debt			
City of Alabaster	\$ 89,805,000	100.00%	\$ 89,805,000
Total direct debt	<u>89,805,000</u>		<u>89,805,000</u>
Direct Debt			
Alabaster Board of Education	140,391,127	100.00%	140,391,127
Shelby County	39,855,000	15.10%	6,018,105
Shelby County Board of Education	<u>137,483,021</u>	15.10%	<u>20,759,936</u>
	<u>317,729,148</u>		<u>167,169,168</u>
Total direct and overlapping debt	<u>\$ 407,534,148</u>		<u>\$ 256,974,168</u>

Note: No specific revenue base is associated with debt repayment.

(*) The percentage applicable to the City of Alabaster is calculated by taking the population for the City in the applicable county and dividing it by the estimated population in the same county.

Sources:

Alabaster Board of Education
 Shelby County Commission
 Shelby County Board of Education

City of Alabaster, Alabama
Legal Debt Margin Information
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 70,005,358	\$ 73,735,676	\$ 76,763,308	\$ 77,741,452	\$ 84,386,232	\$ 87,396,776	\$ 96,082,096	\$ 95,435,344	\$ 97,192,743	\$ 107,529,315
Total net debt applicable to limit	43,915,874	44,090,659	40,241,159	37,719,554	47,524,047	44,262,779	41,062,971	54,278,614	54,278,614	68,747,130
Legal debt margin	<u>\$ 26,089,484</u>	<u>\$ 29,645,017</u>	<u>\$ 36,522,149</u>	<u>\$ 40,021,898</u>	<u>\$ 36,862,185</u>	<u>\$ 43,133,997</u>	<u>\$ 55,019,125</u>	<u>\$ 41,156,730</u>	<u>\$ 42,914,129</u>	<u>\$ 38,782,185</u>
Total net debt applicable to the limit as a percentage of debt limit	62.73%	59.80%	52.42%	48.52%	56.32%	50.65%	42.74%	56.87%	55.85%	63.93%
Legal Debt Margin Calculation										
Assessed value of property	\$ 537,646,577									
Debt limit-20 percent of total assessed value	107,529,315									
Debt applicable to limit:										
General Obligation Warrants	68,747,130									
Leases	-									
	<u>68,747,130</u>									
	<u>\$ 38,782,185</u>									

City of Alabaster, Alabama
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (*)	Total Personal	Per Capita	School	Shelby County
		Income (*)	Personal Income	Enrollment (***)	Unemployment
2014	32,115	882,721,280	27,486	6,050	4.10%
2015	32,707	895,583,074	27,382	6,012	4.20%
2016	32,948	930,418,572	28,239	6,055	4.60%
2017	33,202	930,418,572	28,023	6,041	2.40%
2018	32,567	964,053,272	29,602	6,110	2.80%
2019	33,487	1,018,608,472	30,418	6,115	1.80%
2020	33,284	1,051,741,116	31,599	6,076	4.10%
2021	33,676	1,221,024,408	36,258	6,234	1.80%
2022	33,873	1,325,856,966	39,142	6,288	1.80%
2023	#	#	#	6,198	1.80%

(*) Obtained from the U.S. Census Bureau. Data prior to 2018 obtained through Community Fact Finder. Beginning with 2018 data, the U.S. Census Bureau transitioned to providing data via data.census.gov. At the time of ACFR publication, only five year averages were available for Alabaster at data.census.gov. Those five-year averages are what is reported.

(**) Obtained from the Bureau of Labor Statistics unemployment rates by county, not seasonally adjusted as of September of each fiscal year.

(***) Obtained from the Alabaster City Board of Education and the Shelby County Board of Education.

(#) Data unavailable

City of Alabaster, Alabama
Principal Employers
Current Year and Ten Years Ago

Taxpayer	2013			2022		
	Employees	Rank	Percentage of Total City Employment (*)	Employees	Rank	Percentage of Total City Employment (*)
Shelby Baptist Medical Center	1,050	1	N/A	1,068		N/A
AGC Automotive Alabama, Inc.	405	2		320		
Mspark	323	3		200		
Lhoist North America	250	4				
Shelby Ridge Health and Rehab Select	230	5		200		
Chandler Health & Rehab	225	6				
Deshazo Crane	187	7				
Docupak	139	8				
Alabama Crown Distributing Co.	120	9				
Sealing Equipment Products, Inc.	100	10				
Alabaster City Schools				189		
MacLean Power Systems				354		
Hibbett Sports				320		
Avanti Polar Lipids				274		
Ahava Healthcare				185		
Walmart				180		
	<u>3,029</u>			<u>3,290</u>		
Total all Employees in the City (*)	N/A			N/A		

Source: Greater Shelby County Chamber of Commerce from 2022 which is the most recently available data at the time of publication.

Note: Information does not include City Government employees.

(*) The City does not have an occupational tax or other mechanism to accurately know these numbers.

City of Alabaster, Alabama
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration / City Clerk	9	9	5	6	6	4	4	4	5	5
Human Resources	2	2	2	2	2	3	3	3	3	3
Information Technology	1	1	1	2	3	3	3	3	3	3
Finance	5	5	6	6	6	6	6	6	6	6
Engineering & Building Services	-	-	-	-	-	2	8	8	9	9
Library	9	8	8	8	8	9	8	8	8	9
Municipal Court	5	5	5	6	6	6	6	6	6	6
Public Safety										
Police	82	79	80	84	84	85	85	85	85	85
Fire	60	60	63	64	64	64	62	65	64	64
Public Works	14	14	14	18	11	11	10	10	9	12
Garbage	-	-	-	-	12	12	12	12	14	12
Parks & Recreation	30	28	28	25	25	27	29	29	30	29
Sewer	19	24	24	24	24	24	23	23	26	24
Total	236	235	236	245	251	256	259	262	268	267

City of Alabaster, Alabama
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Business licenses issued	1	3,955	4,249	4,441	4,401	4,426	4,407	4,464	4,568	4,870
Public safety										
Police										
Arrests	2	1,528	1,355	1,357	1,417	1,438	1,416	780	895	1,013
Fire										
Emergency responses	3	4,905	5,415	5,620	3,646	3,812	3,668	3,832	4,186	4,286
Engineering and building services	8									
Building construction permits issued	4	247	413	396	484	470	923	1,578	1,110	1,199
Library										
Materials checked out	5	174,989	162,944	149,844	167,772	167,435	166,980	155,921	127,783	144,220
Digital downloads	5									119,816 46,761
Municipal court										
Traffic cases	6	2,557	2,268	2,090	2,019	1,634	2,891	3,837	3,305	2,542
Non-traffic cases	6	798	725	622	676	591	566	902	505	661
Sanitation										
Single homes										
Regular garbage service	7	10,482	10,716	10,869	10,890	10,903	10,616	11,064	10,903	11,336
Sewer										
Average daily flow (gallons per day)	9	3,320,000	3,370,000	3,150,000	3,340,000	4,330,000	4,230,000	4,520,000	4,468,000	3,920,000
										3,638,000

1 Source: Alabaster Revenue Department (based on a calendar year)

2 Source: Alabaster Police Department (based on a calendar year)

3 Source: Alabaster Fire Department (based on a calendar year)

4 Source: Building Department (based on a calendar year)

5 Source: Albert L. Scott Library (based on a calendar year)

6 Source: Municipal Court (based on a fiscal year)

7 Source: Alabaster Water Board. Number reflects number of homes served for the month of September for each fiscal year.

8 Source: Engineering and Building Services Department (based on a calendar year)

9 Source: Alabaster Environmental Services Department (based on a calendar year)

City of Alabaster, Alabama
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Vehicles	5	6	6	6	7	6	6	7	8	8
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	74	73	83	77	89	84	85	87	93	106
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Vehicles	21	22	24	24	25	25	24	26	27	27
Refuse Collection										
Garbage Trucks	0	0	0	0	6	6	6	6	8	8
Debris Trucks	5	6	6	6	6	8	9	9	9	9
Other Vehicles	1	1	1	1	1	1	1	2	2	2
Public Works										
Traffic Signals	19	19	19	19	19	19	19	19	19	19
Vehicles	10	11	12	11	11	10	13	15	15	16
Recreation Services										
Parks										
Acres	283.94	283.94	283.94	283.94	283.94	283.94	288.94	288.94	288.94	288.94
Vehicles	13	14	17	17	19	19	22	23	22	22
Sewer										
Vehicles	10	10	15	17	18	18	19	24	22	25
Pump Stations	52	52	52	52	56	57	57	57	58	58