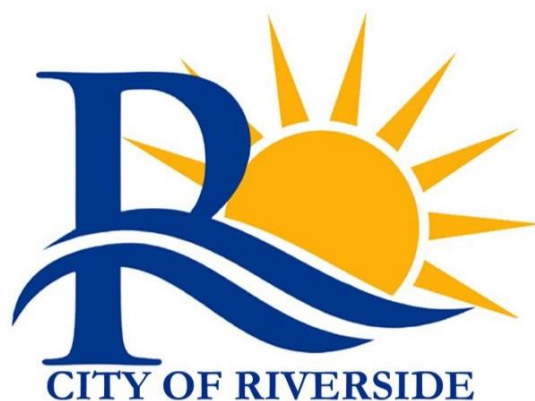




City of Riverside, Alabama

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023



CITY OF RIVERSIDE, ALABAMA

YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| <u>INDEPENDENT AUDITOR'S REPORT</u> | 1 |
| <u>BASIC FINANCIAL STATEMENTS:</u> | |
| Statement of Net Position | 5 |
| Statement of Activities | 6 |
| Balance Sheet - Modified Cash Basis - Governmental Funds | 7 |
| Reconciliation of the Governmental Funds Balance Sheet - Modified Cash Basis to the Statement of Net Position | 8 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds..... | 9 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis of Governmental Funds to the Statement of Activities | 10 |
| Statement of Net Position - Proprietary Fund | 11 |
| Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Fund | 12 |
| Statement of Cash Flows - Proprietary Fund | 13 |
| Reconciliation of Operating Income to Net Cash Provided By Operations - Proprietary Fund | 14 |
| Index - Notes to the Financial Statements | 15 |
| Notes to the Financial Statements | 16 |
| <u>REQUIRED SUPPLEMENTARY INFORMATION:</u> | |
| Schedule of Changes in the Net Pension Liability - Governmental Funds | 46 |
| Schedule of Employer Contributions - Governmental Funds | 50 |

(Continued)

CITY OF RIVERSIDE, ALABAMA

YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS
(CONTINUED)

| | <u>Page</u> |
|--|-------------|
| <u>REQUIRED SUPPLEMENTARY INFORMATION - (Continued):</u> | |
| Schedule of Changes in the Net Pension Liability - Proprietary Fund | 52 |
| Schedule of Employer Contributions - Proprietary Fund | 56 |
| <u>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL:</u> | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 58 |
| <u>OTHER INFORMATION:</u> | |
| Schedule of Cash - All Funds | 60 |
| Schedule of Revenues - General and Other Governmental Funds - Cash Basis | 61 |
| Schedule of Expenditures - General and Other Governmental Funds - Cash Basis | 62 |
| Schedule of Debt Service - General Obligation Warrants, Series 2009 | 65 |
| Schedule of Debt Service - Drinking Water State Revolving Fund | 66 |
| Schedule of Debt Service - Metro Bank - Vannick Road | 67 |
| Schedule of Debt Service - Kansas State Bank - Fire Truck | 68 |
| Schedule of Debt Service - Metro Bank - Police Vehicle | 69 |
| Schedule of Debt Service - Metro Bank - Water Truck | 70 |
| Schedule of Debt Service - Metro Bank - Police Vehicles | 71 |
| Schedule of Debt Service - Metro Bank - Water Truck | 72 |

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INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the modified cash basis of accounting, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information and in accordance with the auditing standards generally accepted in the United States of America for the business-type activities of the City of Riverside, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Riverside, Alabama's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Alabama, as of September 30, 2023 and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1 and the respective financial position of the business-type activities, and the respective changes in financial position and, cash flows thereof for the year the ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter-Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting with the exception of the proprietary fund, which is prepared in accordance with accounting principles generally accepted in the United States of America, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible with the exception of the proprietary fund, which is prepared in accordance with accounting principles generally accepted in the United States of America, for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Riverside, Alabama's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements - (Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Riverside, Alabama's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of changes in net pension liability and the Schedules of the Employer Contributions, on pages 46-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis (MD&A) and budgetary comparison information the accounting principles generally accepted in the United States of America require to be presented to supplements the basic financial statements. Such missing information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting of placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are no affected by this missing information.

Other Matters

Management is responsible for the other information included in the annual report. The other information on pages 60-72 consists of additional financial information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2024, on our consideration of the City of Riverside, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Riverside, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Riverside, Alabama's internal control over financial reporting and compliance.

POTTER, BRYANT, & MOORE, P. C.
Certified Public Accountants

Potter, Bryant & Moore, P.C.

Birmingham, Alabama
May 14, 2024

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

| | <u>Governmental</u> <u>Activities</u> | <u>Business-Type</u> <u>Activities</u> | <u>Total</u> |
|--|--|---|------------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 992,377.84 | \$ 13,441.68 | \$ 1,005,819.52 |
| Receivables | 0.00 | 162,502.14 | 162,502.14 |
| Inventories | 0.00 | 89,683.13 | 89,683.13 |
| Capital Assets, Net | <u>2,287,239.62</u> | <u>1,256,993.71</u> | <u>3,544,233.33</u> |
| Total Assets | <u>3,279,617.46</u> | <u>1,522,620.66</u> | <u>4,802,238.12</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Pension Contributions | 0.00 | 34,119.38 | 34,119.38 |
| Pension | <u>0.00</u> | <u>297,653.00</u> | <u>297,653.00</u> |
| Total Deferred Outflows of Resources | <u>0.00</u> | <u>331,772.38</u> | <u>331,772.38</u> |
| Total Assets and Deferred Outflow of Resources | <u>3,279,617.46</u> | <u>1,854,393.04</u> | <u>5,134,010.50</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable and Accrued Liabilities | 39,243.36 | 63,050.83 | 102,294.19 |
| Meter Deposits | 0.00 | 84,808.41 | 84,808.41 |
| General Obligation Notes | 120,000.00 | 0.00 | 120,000.00 |
| Long-Term Liabilities: | | | |
| Current Portion of | | | |
| Long-Term Obligations | 83,713.34 | 89,328.20 | 173,041.54 |
| Non-current Portion of | | | |
| Long-Term Obligations | <u>285,051.61</u> | <u>1,247,628.46</u> | <u>1,532,680.07</u> |
| Total Liabilities | 528,008.31 | 1,484,815.90 | 2,012,824.21 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Pensions | <u>0.00</u> | <u>132,093.00</u> | <u>132,093.00</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>528,008.31</u> | <u>1,616,908.90</u> | <u>2,144,917.21</u> |
| <u>NET POSITION</u> | | | |
| Invested in Capital Assets, Net of Related Debt | 1,798,474.67 | 373,387.05 | 2,171,861.72 |
| Restricted for: | | | |
| Capital Projects | 56,651.34 | 0.00 | 56,651.34 |
| Other Purposes | 209,228.39 | 0.00 | 209,228.39 |
| Unrestricted | <u>687,254.75</u> | <u>(135,902.91)</u> | <u>551,351.84</u> |
| Total Net Position | \$ <u>2,751,609.15</u> | \$ <u>237,484.14</u> | \$ <u>2,989,093.29</u> |

The accompanying notes to the financial statements are an integral part of this statement. With the exception of the business-type activity, this statement is prepared on the modified cash basis of accounting.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

| Functions | Expenses | Program Revenues | | | Net (Expenses) Revenues & Changes in Net Assets | | |
|--------------------------------------|------------------------|-------------------------|--|--|---|-----------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| General Government | \$ 717,629.33 | \$ 227,733.21 | \$ 0.00 | \$ 22,904.61 | \$ (466,991.51) | \$ 0.00 | \$ (466,991.51) |
| Public Safety | 771,341.26 | 146,742.89 | 0.00 | 0.00 | (624,598.37) | 0.00 | (624,598.37) |
| Streets & Public Works | 81,186.17 | 0.00 | 0.00 | 0.00 | (81,186.17) | 0.00 | (8,186.17) |
| Building Inspector | 13,500.77 | 0.00 | 0.00 | 0.00 | (13,500.77) | 0.00 | (13,500.77) |
| Interest & Fiscal Charges | 7,698.32 | 0.00 | 0.00 | 0.00 | (7,698.32) | 0.00 | (7,698.32) |
| Totals | <u>1,591,355.85</u> | <u>374,476.10</u> | <u>0.00</u> | <u>22,904.61</u> | <u>(1,193,975.14)</u> | <u>0.00</u> | <u>(1,193,975.14)</u> |
| Business-Type Activities: | | | | | | | |
| Water Works | <u>913,153.71</u> | <u>791,313.36</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(121,840.35)</u> | <u>(121,840.35)</u> |
| Totals | <u>\$ 2,504,509.56</u> | <u>\$1,165,789.46</u> | <u>\$ 0.00</u> | <u>\$ 22,904.61</u> | <u>(1,193,975.14)</u> | <u>(121,840.35)</u> | <u>(1,315,815.49)</u> |
| <u>General Revenues</u> | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes for General Purposes | | | | | 234,568.15 | 0.00 | 234,568.15 |
| Gasoline Taxes | | | | | 53,942.55 | 0.00 | 53,942.55 |
| Local Sales Tax | | | | | 623,062.28 | 0.00 | 623,062.28 |
| Liquor, Cigarette, and Beer Tax | | | | | 7,329.68 | 0.00 | 7,329.68 |
| Other Taxes | | | | | 21,486.21 | 0.00 | 21,486.21 |
| Business Licenses | | | | | 203,529.36 | 0.00 | 203,529.36 |
| Investment Earnings | | | | | 937.75 | 163.51 | 1,101.26 |
| Miscellaneous | | | | | <u>18,054.02</u> | <u>0.00</u> | <u>18,054.02</u> |
| Total General Revenues and Transfers | | | | | <u>1,162,910.00</u> | <u>163.51</u> | <u>1,163,073.51</u> |
| Changes in Net Position | | | | | (31,065.14) | (121,676.84) | (152,741.98) |
| Net Position - Beginning of Year | | | | | <u>2,782,674.29</u> | <u>359,160.98</u> | <u>3,141,835.27</u> |
| Net Position - End of Year | | | | | <u>\$ 2,751,609.15</u> | <u>\$ 237,484.14</u> | <u>\$ 2,989,093.29</u> |

The accompanying notes to the financial statements are an integral part of this statement. With the exception of the business-type activity, this statement is prepared on the modified cash basis of accounting.

CITY OF RIVERSIDE, ALABAMA
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---|---|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ <u>884,713.97</u> | \$ <u>107,663.87</u> | \$ <u>992,377.84</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable and Accrued Liabilities | \$ 31,939.58 | \$ 4,612.99 | \$ 36,552.57 |
| Due to Other Funds | <u>2,690.79</u> | <u>0.00</u> | <u>2,690.79</u> |
| Total Liabilities | <u>34,630.37</u> | <u>4,612.99</u> | <u>39,243.36</u> |
| <u>Fund Balances</u> | | | |
| Non-Spendable | 0.00 | 0.00 | 0.00 |
| Restricted | 158,215.86 | 56,514.13 | 214,729.99 |
| Committed | 0.00 | 0.00 | 0.00 |
| Assigned | 0.00 | 0.00 | 0.00 |
| Unassigned | <u>691,867.74</u> | <u>46,536.75</u> | <u>738,404.49</u> |
| Total Fund Balances | <u>850,083.60</u> | <u>103,050.88</u> | <u>953,134.48</u> |
| Total Liabilities and Fund Balances | \$ <u>884,713.97</u> | \$ <u>107,663.87</u> | \$ <u>992,377.84</u> |

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

CITY OF RIVERSIDE, ALABAMA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET - MODIFIED CASH BASIS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

| | |
|---|---------------|
| Total Fund Balance - Governmental Funds | \$ 953,134.48 |
|---|---------------|

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

Capital Assets used in governmental
activities are not financial resources
and, therefore, are not reported as
assets in governmental funds.

| | | |
|--------------------------|-----------------------|--------------|
| Cost of Capital Assets | \$ 4,758,093.30 | |
| Accumulated Depreciation | <u>(2,470,853.68)</u> | |
| Total Capital Assets | | 2,287,239.62 |

Current Liabilities, including notes payable,
which are expected to be refinanced and
therefore are not reported as liabilities
in the funds. (120,000.00)

Long-term liabilities, including bonds
payable, are not due and payable in the
current period and, therefore, are not
reported as liabilities in the funds.
Interest on long-term debt is not accrued
in the funds but rather is recognized as
an expenditure when due.

| | | |
|----------------------------|-----------------|---------------------|
| Bonds and Warrants Payable | 241,686.20 | |
| General Obligation Notes | 120,815.19 | |
| Capital Lease Payable | <u>6,263.56</u> | |
| Total Current Liabilities | | <u>(368,764.95)</u> |

| | |
|--|------------------------|
| Total Net Position - Governmental Activities | \$ <u>2,751,609.15</u> |
|--|------------------------|

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

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- MODIFIED CASH BASIS GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|---|---|
| <u>Revenues</u> | | | |
| Licenses and Taxes | \$ 1,097,791.62 | \$ 46,126.61 | \$ 1,143,918.23 |
| Fines and Court Costs | 0.00 | 40,202.01 | 40,202.01 |
| Interest Income | 920.06 | 17.69 | 937.75 |
| Capital Improvement Grants | 22,904.61 | 0.00 | 22,904.61 |
| Other Sources | <u>352,328.11</u> | <u>0.00</u> | <u>352,328.11</u> |
| Total Revenues | <u>1,473,944.40</u> | <u>86,346.31</u> | <u>1,560,290.71</u> |
| <u>Expenditures</u> | | | |
| General Government | 742,430.27 | 0.00 | 742,430.27 |
| Public Safety | 815,958.36 | 24,247.57 | 840,205.93 |
| Streets and Public Works | 0.00 | 15,561.99 | 15,561.99 |
| Building Inspector | 13,500.77 | 0.00 | 13,500.77 |
| Capital Outlay | 0.00 | 0.00 | 0.00 |
| Debt Service | <u>48,516.64</u> | <u>0.00</u> | <u>48,516.64</u> |
| Total Expenditures | <u>1,620,406.04</u> | <u>39,809.56</u> | <u>1,660,215.60</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(146,461.64)</u> | <u>46,536.75</u> | <u>(99,924.89)</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Proceeds from Long-term Debt | <u>82,132.52</u> | <u>0.00</u> | <u>82,132.52</u> |
| Total Other Financing Sources (Uses) | <u>82,132.52</u> | <u>0.00</u> | <u>82,132.52</u> |
| Net Changes in Fund Balances | (64,329.12) | 46,536.75 | (17,792.37) |
| Fund Balances - Beginning of Year | <u>914,412.72</u> | <u>56,514.13</u> | <u>970,926.85</u> |
| Fund Balances - End of Year | <u>\$ 850,083.60</u> | <u>\$ 103,050.88</u> | <u>\$ 953,134.48</u> |

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

CITY OF RIVERSIDE, ALABAMA

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

Net Change in Fund Balances - Governmental Funds \$ (17,792.37)

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

Capital outlays to purchase or build capital
assets are reported in governmental funds
as expenditures. However, in the Statement
of Activities, the cost of those assets is
allocated over their estimated useful lives
as depreciation expense. This is the amount
by which depreciation expense exceeds capital
outlays in the period.

| | | |
|----------------------|---------------------|------------|
| Capital Outlays | \$ 155,576.35 | |
| Depreciation Expense | <u>(163,798.34)</u> | |
| Total | | (8,221.99) |

Repayment of debt principal is an expenditure
in the governmental funds, but it reduces
long-term liabilities in the Statement of
Net Position and does not affect the
Statement of Activities. 77,356.74

Proceeds from the issuance of debt are reported
As financing sources in governmental funds and
Thus contribute to the change in fund balance.
Issuing long- term debt increases liabilities
In the statement of net assets but does not affect
The statement of activities (82,407.52)

Total Changes in Net Position of Governmental Activities \$ (31,065.14)

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

CITY OF RIVERSIDE, ALABAMA
STATEMENT OF NET POSITION
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS
SEPTEMBER 30, 2023

| | <u>Amount</u> | <u>Total</u> |
|--|---------------------|----------------------|
| <u>ASSETS</u> | | |
| <u>Current Assets</u> | | |
| Cash and Cash Equivalents | \$ 13,441.68 | |
| Receivables - Customers | 138,162.36 | |
| Receivables - Others | 24,339.78 | |
| Inventories | <u>89,683.13</u> | |
| Total Current Assets | | \$ 265,626.95 |
| <u>Non-Current Assets</u> | | |
| Capital Assets, Net | | <u>1,256,993.71</u> |
| Total Assets | | <u>1,522,620.66</u> |
| <u>Deferred Outflows of Resources</u> | | |
| Pension Contributions | 34,119.38 | |
| Pension | <u>297,653.00</u> | |
| Total Deferred Outflows of Resources | | <u>331,772.38</u> |
| Total Assets and Deferred Outflow of Resources | | <u>1,854,393.04</u> |
| <u>LIABILITIES</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payable and Accrued Liabilities | 63,050.83 | |
| Meter Deposits | 84,808.41 | |
| Current Portion of Long-Term Obligations | <u>89,328.20</u> | |
| Total Current Liabilities | | 237,187.44 |
| <u>Non-Current Portion of Long-Term Obligations</u> | | <u>1,247,628.46</u> |
| Total Liabilities | | 1,484,815.90 |
| <u>Deferred Inflows of Resources</u> | | |
| Pension | | <u>132,093.00</u> |
| Total Liabilities and Deferred Inflows of Resources | | <u>1,616,908.90</u> |
| <u>NET POSITION</u> | | |
| Invested in Capital Assets, Net of Related Debt | 373,387.05 | |
| Unrestricted | <u>(135,902.91)</u> | |
| Total Net Position | | \$ <u>237,484.14</u> |

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

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>Amount</u> | <u>Total</u> |
|--|--------------------|-----------------------------|
| <u>Operating Revenue</u> | | |
| Water Revenue | | \$ 791,313.36 |
| <u>Operating Expenses</u> | | |
| Auto and Truck Expense | \$ 4,466.96 | |
| Bank Fees | 659.45 | |
| Depreciation Expense | 144,436.57 | |
| Dues and Memberships | 812.00 | |
| Emergency Services | 15,182.36 | |
| Equipment Expense | 663.00 | |
| Equipment Maintenance | 6,802.06 | |
| Gasoline Expense | 17,032.19 | |
| Insurance: | | |
| Employee Health Insurance | 52,200.00 | |
| General Liability and Fidelity Bonds | 21,324.00 | |
| Office Supplies and Expense | 12,433.23 | |
| Payroll Taxes | 20,550.76 | |
| Postage | 8,862.07 | |
| Professional Fees | 4,450.00 | |
| Retirement Expense | 127,301.39 | |
| Salaries | 272,632.03 | |
| Seminar Expense | 1,407.60 | |
| Subcontract Expense | 7,777.33 | |
| Telephone and Utilities | 7,575.96 | |
| Utilities | 52,884.75 | |
| Water Supplies | 79,867.23 | |
| Water Tank Maintenance | 21,279.72 | |
| Water Testing | <u>5,073.00</u> | |
| Total Operating Expenses | | <u>885,673.66</u> |
| Operating Income (Loss) | | (94,360.30) |
| <u>Non-Operating Revenues (Expenses)</u> | | |
| Interest Income | 163.51 | |
| Interest Expense and Fiscal Agent Fees | <u>(27,480.05)</u> | |
| Total Non-Operating Revenues (Expenses) | | <u>(27,316.54)</u> |
| Net Income (Loss) | | (121,676.84) |
| Net Position at Beginning of Year | | <u>359,160.98</u> |
| Net Position at End of Year | | \$ <u><u>237,484.14</u></u> |

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

CITY OF RIVERSIDE, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>Amount</u> | <u>Total</u> |
|---|--------------------|----------------------------|
| <u>Cash Flows From Operating Activities</u> | | |
| Receipts from Customers | \$ 753,335.50 | |
| Payments to Suppliers | (292,395.78) | |
| Payments to Employees | (506,517.95) | |
| Receipts (Refunds) of Customer Deposits | <u>5,586.63</u> | |
| Net Cash Flows From Operating Activities | | \$ (39,991.60) |
| <u>Cash Flows From (Used By)</u> | | |
| <u>Non-capital Financing Activities</u> | | |
| Net Pension Liabilities | <u>102,676.00</u> | |
| Net Cash Flows From (Used By) | | |
| Non-capital Financing Activities | | 102,676.00 |
| <u>Cash Flows From Capital and Financing Activities</u> | | |
| Proceeds from Sale of Capital Assets | (58,014.00) | |
| Purchase of Capital Assets | 42,962.00 | |
| Principal Paid on Capital Debt | (87,629.95) | |
| Interest Paid on Capital Debt | <u>(27,480.05)</u> | |
| Net Cash Provided (Used) by | | |
| Operating Activities | | (130,162.00) |
| <u>Cash Flows From Investing Activities</u> | | |
| Interest Income | | <u>163.51</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | | (67,314.09) |
| Cash and Cash Equivalents at Beginning of Year | | <u>80,755.77</u> |
| Cash and Cash Equivalents at End of Year | | \$ <u><u>13,441.88</u></u> |

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

CITY OF RIVERSIDE, ALABAMA

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>Amount</u> | <u>Total</u> |
|--|-------------------|------------------------------|
| Operating Income (Loss) | | \$ (94,360.30) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations: | | |
| Depreciation Expense | | 144,436.57 |
| Changes in Assets and Liabilities: | | |
| Receivables | \$ (62,317.64) | |
| Inventories | (14,947.14) | |
| Accounts Payable and Accrued Liabilities | (8,895.73) | |
| Meter Deposits | <u>5,586.63</u> | |
| Total Changes in Assets and Liabilities | | (80,573.88) |
| Changes in Deferred Inflows and Outflows: | | |
| Pension Contributions | <u>(9,493.99)</u> | |
| Total Changes in Deferred Inflows and Outflows | | <u>(9,493.99)</u> |
| Net Cash Provided By Operating Activities | | \$ <u><u>(39,991.60)</u></u> |

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

CITY OF RIVERSIDE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

INDEX

| <u>Note #</u> | | <u>Page</u> |
|---------------|---|-------------|
| 1 | Summary of Significant Accounting Policies | 16 |
| 2 | Deposits and Investments | 27 |
| 3 | Property Taxes | 27 |
| 4 | Restricted Assets | 27 |
| 5 | Stewardship, Compliance, and Accountability | 27 |
| 6 | Capital Assets | 28 |
| 7 | Long-Term Obligations | 30 |
| 8 | Short-Term Debt | 34 |
| 9 | Contingent Liabilities | 34 |
| 10 | Risk Management | 34 |
| 11 | Defined Benefit Pension Plan | 35 |

CITY OF RIVERSIDE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Riverside, Alabama (the "City") was incorporated in 1886, under the provisions of the State of Alabama. The City operates under a mayor-council form of government and provides the following services: public safety (police and fire), streets, sanitation, health and social services, recreation, public improvements, planning and zoning, and general administrative services. The City also provides water services.

With the exception of the Proprietary Fund, the City maintains its accounting records on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting policies of the Proprietary Fund conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

Statement No. 61 of the Governmental Accounting Standards Board establishes standards for defining and reporting on the financial reporting entity. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for agencies that make up its legal entity. It is also financially accountable for a legally separate agency if its officials appoint a voting majority of the agency's governing body and either it is able to impose its will on that agency or there is a potential for the agency to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

The City's financial reporting entity is composed of the following:

| | |
|-------------------------|-------------------------------|
| Primary Government: | City of Riverside |
| Blended Component Unit: | City of Riverside Water Works |

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City Council, or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. The Reporting Entity - (Continued)

Blended Component Unit - (Continued)

Component Unit Brief Description/Inclusion Criteria Fund Included In

| | | |
|-------------|--|------------------|
| Water Works | To finance, develop, and operate the water activities of the City of Riverside. Current city council serves as governing body. | Water Works Fund |
|-------------|--|------------------|

The component units do not issue separately audited component unit financial statements.

B. Basis of Presentation

Government-Wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements: The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following two criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity as described below:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

B. Basis of Presentation - (Continued)

Governmental Funds

Major Governmental Funds:

General Fund - The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Non-Major Governmental Fund Types (Other Government Funds):

The reporting entity includes the following special revenue funds, which are reported as non-major funds:

| <u>Fund</u> | <u>Brief Description</u> |
|--------------------------------------|---|
| Court Fund | Accounts for revenues received and expenditures paid for services provided by the court system. |
| Road Fund | Accounts for gasoline excise taxes legally restricted for street improvements. |
| Equitable Sharing Forfeiture Fund | Accounts for revenues received and expenditures paid for services provided by the police department. |
| Asset Forfeiture | Accounts for revenues received and Fund expenditures paid for services provided by the police department. |

Capital Project Funds - Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Funds - Debt service funds account for the accumulation of resources for, and the payment of, the City's principal and interest payments on long-term debt.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

B. Basis of Presentation - (Continued)

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

| <u>Fund</u> | <u>Brief Description</u> |
|------------------|--|
| Water Works Fund | Accounts for the activities of the public trust in providing water services to the public. |

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting for governmental activities and the accrual basis for business-type activities, as defined in item 2 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting for governmental activities and the accrual basis for business-type activities, is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income,

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

C. Measurement Focus and Basis of Accounting - (Continued)

Measurement Focus - (Continued)

2. changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, proprietary fund statements, and the similar discretely presented component unit statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The business-type activities are presented using the accrual basis of accounting which is a basis of accounting generally accepted in the United States of America.

As a result, with the exception of the business-type activities, of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Assets, Liabilities, and Equity

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

C. Assets, Liabilities, and Equity - (Continued)

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Capital Assets

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to September 30, 2003. Prior to September 30, 2003 governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since September 30, 2003 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000.00 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------------------|-------------|
| Buildings | 40-50 years |
| Improvements other than buildings | 10-25 years |
| Machinery, furniture, and equipment | 3-20 years |
| Utility property and improvements | 10-50 years |
| Infrastructure | 25-50 years |

Fund Financial Statements

In the fund financial statements, capital assets arising for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Assets, Liabilities, and Equity - (Continued)

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Allowance for Uncollectible Accounts - Enterprise Fund

Allowance for uncollectible accounts receivable in the Enterprise Fund at September 30, 2023 is \$0.00. Accounts are closely monitored with service to delinquent accounts terminated before balances above deposits are reached.

Compensated Absences

For vacation leave and other compensated absences with similar characteristics, GASB Statement No. 16 requires the accrual of a liability as the benefits are earned by the employees if both of these conditions are met:

1. The employees' right to receive compensation is attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. Because the cash basis of accounting is used, no liability is recorded on the financial statements.

Net Position/Fund Equity

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net position categories:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Assets, Liabilities, and Equity - (Continued)

Net Position/Fund Equity - (Continued)

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the City's policy to first use restricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balances

Fund Balances are reported on the fund financial statements and are required to be classified for accounting and reporting purposes into the following fund balance categories:

Unassigned Fund Balance - Represents resources available to meet current and future years' expenditures.

Committed Fund Balance - Represents amounts constrained for a specific purpose by the City. It requires action by the City council to remove or change the constraints placed on the resources. As of September 30, 2023, the City had no committed fund balance.

Assigned Fund Balance - Represents amounts constrained by the Board's intent to be used for a specific purpose, but are not restricted or committed. Intent is expressed by the City itself, or an official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The action to remove or modify assignments is not as strict as for committed fund balance. As of September 30, 2023, the City had no assigned fund balance.

Non-spendable Fund Balance - Represents amounts that cannot be spent due to form such as inventories and prepaid accounts. This also includes amounts that must be maintained intact legally or contractually. The City had no non spendable fund balances as of September 30, 2023.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Fund Balances - (Continued)

Restricted/Reserved Fund Balance - Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. The City had no reserved fund balances as of September 30, 2023.

Restricted Fund Balance - Represents amount that can be spent only for specific purpose by construction, external resource providers, or through enabling legislation. Constraints are placed on the use of resources either by; externally imposed creditors, grantors, contributions, or laws or regulations of other governments; or imposed by law through constitutional provisions of enabling legislation. Restrictions of fund balances at September 30, 2023 are as follows:

| | |
|---------------------------------|----------------------|
| <u>General Fund</u> | |
| Capital Improvement | \$ 56,651.34 |
| Fire Department | 96,335.56 |
| Police Department | 4,312.13 |
| Streets and Public Works | <u>916.83</u> |
| Total | <u>\$ 158,215.86</u> |
| <u>Other Governmental Funds</u> | |
| Court Fund | \$ 31,103.12 |
| Road Fund | <u>76,560.75</u> |
| Total | <u>\$ 107,663.87</u> |

The City's policy is to first apply restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted balances are available. The City's policy is to first apply assigned, committed and unassigned resources, respectively, when an expense is incurred for the purposes for which assigned, committed and/or unassigned balances are available.

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Program Revenues

In the Statement of Activities modified cash basis revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

E. Revenues, Expenditures, and Expenses - (Continued)

| | |
|--------------------------|---|
| General Government | Licenses and Permits |
| Public Safety | Fines, Operating and Capital Grants |
| Streets and Public Works | Garbage Collection Fees, Operating, and Capital Grants |
| Culture and Recreation | Rental Income, Recreation Fees, and Specific Donations |

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

F. Internal and Interfund Balances and Activities - (Continued)

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.
3. Primary government and component unit activity and balances - Resource flows between the primary government (the City and City of Riverside Water Works) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

G. Use of Estimates

The preparation of financial statements in conformity with the basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

H. Date of Management Review

Management has evaluated subsequent events through May 14, 2024 the date of which the financial statements were available to be issued.

I. Lease Obligations

The governmental funds are reported on the modified cash basis and as such, will record financed purchases (capital leases) as debt and leases as cash transactions. The proprietary fund will record leases in accordance with the provisions of GASB Statement 87, Leases. The proprietary fund does not have any leases.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

J. Pensions

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

NOTE 2 - DEPOSITS AND INVESTMENTS:

In its 2000 Regular Session, the Alabama State Legislature enacted the Security for Alabama Enhancement (SAFE) Program (Title 41, Chapter 14A, Code of Alabama 1975, as amended) that changes the way all Alabama public deposits are collateralized. Public deposits include the funds of any covered public entity or covered public official placed on deposit in a qualified depository, including time and demand deposit accounts and certificates of deposit but excluding bonds, notes, money market mutual funds, repurchase agreements and similar investment instruments. Covered public entities include the state and its political subdivisions.

In the past, the bank pledged collateral directly to each public entity. Under SAFE, which is mandatory, each qualified public depository (QPD) is required to hold collateral for all of its public deposits on a pooled basis in a custody account (SAFE Custody Account) established for the State Treasurer as SAFE administrator.

In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer, who would use the SAFE pool collateral or other means to reimburse the loss. All deposits of the City of Riverside as of September 30, 2023 are held in a certified qualified public depository.

NOTE 3 - PROPERTY TAXES:

The City's property tax is levied each October 1st on the assessed value listed as of the prior September 30th for all real and business property located in the City. Taxes are due October 1st and become delinquent by January 1st following the October 1st levy date.

NOTE 4 - RESTRICTED ASSETS:

The amounts of restricted assets are composed of amounts held by the Water Works for utility deposits (refunded upon termination of service or applied to final bill) of \$79,221.78.

NOTE 5 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The City Council adopts an annual budget for each fiscal year beginning October 1st and ending September 30th. The budgets include proposed expenditures and the means of financing them.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2023, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirement/ Reclassifications</u> | <u>Ending Balance</u> |
|---|------------------------------|----------------------|--|---------------------------|
| <u>Governmental Activities</u> | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land and Improvements | \$ <u>399,041.80</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>399,041.80</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 468,044.11 | 0.00 | 0.00 | 468,044.11 |
| Improvements | 62,124.84 | 20,377.96 | 0.00 | 82,502.80 |
| Infrastructure | 1,461,009.29 | 0.00 | 0.00 | 1,461,009.29 |
| Land Improvements - Exhaustible | 329,194.69 | 0.00 | 0.00 | 329,194.69 |
| Furniture and Equipment | 758,191.43 | 51,915.49 | 31,935.00 | 778,171.92 |
| Vehicles | <u>1,156,845.79</u> | <u>83,282.90</u> | <u>0.00</u> | <u>1,240,128.69</u> |
| Total Capital Assets Being Depreciated | <u>4,235,410.15</u> | <u>155,576.35</u> | <u>31,935.00</u> | <u>4,359,051.50</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings | 226,962.58 | 9,890.19 | 0.00 | 236,852.77 |
| Improvements | 43,360.97 | 2,987.42 | 0.00 | 46,348.39 |
| Infrastructure | 371,533.33 | 48,700.31 | 0.00 | 420,233.64 |
| Land Improvements - Exhaustible | 87,344.88 | 10,337.52 | 0.00 | 97,682.40 |
| Furniture and Equipment | 679,586.20 | 31,070.84 | 31,935.00 | 678,722.04 |
| Vehicles | <u>930,202.38</u> | <u>60,812.06</u> | <u>0.00</u> | <u>991,014.44</u> |
| Total Accumulated Depreciation | <u>2,338,990.34</u> | <u>163,798.34</u> | <u>31,935.00</u> | <u>2,470,853.68</u> |
| Total Capital Assets Being Depreciated, Net | <u>1,896,419.81</u> | <u>(8,221.99)</u> | <u>0.00</u> | <u>1,888,197.82</u> |
| Total Governmental Activities Capital Assets, Net | \$ <u>2,295,461.61</u> | \$ <u>(8,221.99)</u> | \$ <u>0.00</u> | \$ <u>2,287,239.62</u> |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 6 - CAPITAL ASSETS - (CONTINUED):

Capital asset activity for the year ended September 30, 2023, was as follows:

| | Beginning Balance | Additions | Retirement/ Reclassifications | Ending Balance |
|---|------------------------|-----------------------|----------------------------------|------------------------|
| <u>Business-Type Activities</u> | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land and Land Improvements | \$ <u>4,331.75</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>4,331.75</u> |
| Capital Assets Being Depreciated: | | | | |
| Utility Property and Improvements | 2,827,969.75 | 11,519.00 | 0.00 | 2,839,488.75 |
| Furniture and Equipment | 163,065.83 | 0.00 | 0.00 | 163,065.83 |
| Vehicles | <u>152,431.12</u> | <u>46,495.00</u> | <u>0.00</u> | <u>198,926.12</u> |
| Total Capital Assets Being Depreciated | <u>3,143,466.70</u> | <u>58,014.00</u> | <u>0.00</u> | <u>3,201,480.70</u> |
| Less Accumulated Depreciation For: | | | | |
| Utility Property and Improvements | 1,635,845.94 | 101,724.42 | 0.00 | 1,737,570.36 |
| Furniture and Equipment | 84,632.98 | 21,495.30 | 0.00 | 106,128.28 |
| Vehicles | <u>83,903.25</u> | <u>21,216.85</u> | <u>0.00</u> | <u>105,120.10</u> |
| Total Accumulated Depreciation | <u>1,804,382.17</u> | <u>144,436.57</u> | <u>0.00</u> | <u>1,948,818.74</u> |
| Total Capital Assets Being Depreciated, Net | <u>1,339,084.53</u> | <u>(86,422.57)</u> | <u>0.00</u> | <u>1,252,661.96</u> |
| Total Business-Type Activities | | | | |
| Capital Assets, Net | \$ <u>1,343,416.28</u> | \$ <u>(86,422.57)</u> | \$ <u>0.00</u> | \$ <u>1,256,993.71</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|----------------------|
| <u>Governmental Activities</u> | |
| General Government | \$ 21,275.52 |
| Public Safety | 76,898.64 |
| Streets & Public Works | <u>65,624.18</u> |
| Total Governmental Activities Depreciation Expense | \$ <u>163,798.34</u> |
| <u>Business Type Activities</u> | |
| Water Works | \$ <u>144,436.57</u> |

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS:

The reporting entity's long-term debt arising from cash transactions is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of September 30, 2023, the long-term debt, arising from cash transactions, payable from governmental fund resources consisted of the following:

General Obligation Warrants - Series 2009

In October, 2009, the City issued General Obligation Warrants, Series 2009 with a total principal obligation of \$460,000.00 for the purpose of capital improvements and refunding current General Obligation Warrants and Notes Payable. The interest rate on the 2009 warrants ranges from 4.000% to 5.125%. A Warrant Fund Account was established at Regions Bank for the payment of principal and interest on the warrants. The warrants were issued on behalf of the City of Riverside and the City of Riverside Water Department. Warrants in the amount of \$285,000.00 are accounted for in the governmental funds since general revenues will be used to make payments to the Warrant Fund.

Business-Type Activities

A. Long-Term Obligations

As of September 30, 2023, the long-term debt, arising from cash transactions, payable from business-type activity resources consisted of the following:

General Obligation Warrants - Series 2009

In October, 2009, the City issued General Obligation Warrants, Series 2009 with a total principal obligation of \$460,000.00 for the purpose of capital improvements and refunding current General Obligation Warrants and Notes Payable. The interest rate on the 2009 warrants ranges from 4.000% to 5.125%. A Warrant Fund Account was established at Regions Bank for the payment of principal and interest on the warrants. The warrants were issued on behalf of the City of Riverside and the City of Riverside Water Department. Warrants in the amount of \$175,000.00 are accounted for in the proprietary fund since water department revenues will be used to make payments to the Warrant Fund.

On September 28, 2018, the City executed a bank note payable to finance improvements to Vannick Road in the Amount of \$116,844.38. The note is unsecured and bears interest of 4.750%.

On January 25, 2018, the City executed a bank note payable to finance the purchase of the 4 police vehicles in the amount of \$100,692.00. The note is secured by the vehicles and bears interest of 4.250%.

On December 12, 2019, the City executed a bank note payable to finance the purchase of fire truck in the amount of \$162,000.00. The note is secured by the fire truck and bears interest of 3.715%.

On April 13, 2022, the City executed a bank note payable to finance the purchase of a police vehicle in the amount of \$47,615.28. This note is secured by the vehicle and bears interest of 3.250%.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS:

Business-Type Activities - (Continued)

A. Long-Term Obligations - (Continued)

On July 14, 2023, the city executed a bank note payable to finance the purchase of the 2 police vehicles in the amount of \$82,407.52. The note is secured by the vehicles and bears interest of 5.500%.

Drinking Water State Revolving Fund

In February, 2016, the City was awarded a State Revolving Fund Loan by the Alabama Water Pollution Control Authority with the total principal obligation of \$1,230,000.00, for the purpose of meter replacement and well replacement. The interest rate is 2.45%. The loan was obtained by the City of Riverside on behalf of the City of Riverside Water Department.

On April 13, 2022, the City on behalf of the Water Fund executed a bank note payable to finance the purchase of a truck in the amount of \$48,248.00. The note is secured by the vehicle and bears interest at 3.250%.

On April 3, 2023, the City on behalf of the Water Fund executed a bank note payable to finance the purchase of a truck in the amount of \$42,962.00. The note is secured by the vehicles and bears interest at 5.250%.

B. Financed Purchases

On September 19, 2019, the City entered in to a capital lease agreement to finance the acquisition of equipment for the Fire Department in the principal amount of \$29,749.06.

If the City completes the lease payments according to the lease agreements, which is the intent of the City, ownership of the leased equipment will pass to the City.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

C. Long-Term Obligation Activity

Long-term liability obligations for the year ended September 30, 2023 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|-------------------------------------|------------------------------|----------------------|---------------------|---------------------------|--|
| <u>Governmental Activities</u> | | | | | |
| Bonds and Notes Payable: | | | | | |
| General Obligation Warrants - 2009 | \$ 139,402.14 | \$ 0.00 | \$ 18,586.95 | \$ 120,815.19 | \$ 18,586.95 |
| Note Payable - Union State Bank | 7,237.91 | 0.00 | 7,237.91 | 0.00 | 0.00 |
| Note Payable - Metro Bank | 41,340.46 | 0.00 | 22,506.37 | 18,834.09 | 18,834.09 |
| Note Payable - Kansas State Bank | 126,313.53 | 0.00 | 15,087.70 | 111,225.83 | 15,653.49 |
| Note Payable - Metro Bank | 43,156.57 | 0.00 | 10,698.42 | 32,458.15 | 9,427.88 |
| Note Payable - Metro Bank | <u>0.00</u> | <u>82,407.52</u> | <u>3,239.39</u> | <u>79,168.13</u> | <u>14,947.37</u> |
| Total Bonds and Note Payable | <u>357,450.61</u> | <u>82,407.52</u> | <u>77,356.74</u> | <u>362,501.39</u> | <u>77,449.78</u> |
| Other Liabilities: | | | | | |
| Capital Lease - LIFEPAK 15 | <u>6,263.56</u> | <u>0.00</u> | <u>0.00</u> | <u>6,263.56</u> | <u>6,263.56</u> |
| Total Governmental Activities | <u>\$ 363,714.17</u> | <u>\$ 82,407.52</u> | <u>\$ 77,356.74</u> | <u>\$ 368,764.95</u> | <u>\$ 83,713.34</u> |
| <u>Business-Type Activities</u> | | | | | |
| Bonds and Notes Payable: | | | | | |
| General Obligation Warrants - 2009 | \$ 85,597.86 | \$ 0.00 | \$ 11,413.05 | \$ 74,184.81 | \$ 11,413.05 |
| Drinking Water State Revolving Fund | 810,000.00 | 0.00 | 60,000.00 | 750,000.00 | 60,000.00 |
| Note Payable - Metro Bank | 32,676.75 | 0.00 | 12,127.72 | 20,549.03 | 9,959.11 |
| Note Payable - Metro Bank | <u>0.00</u> | <u>42,962.00</u> | <u>4,089.18</u> | <u>38,872.82</u> | <u>7,956.04</u> |
| Total Bonds and Notes Payable | <u>928,274.61</u> | <u>42,962.00</u> | <u>87,629.95</u> | <u>883,606.66</u> | <u>89,328.20</u> |
| Other Liabilities: | | | | | |
| Pension | <u>218,905.00</u> | <u>234,445.00</u> | <u>0.00</u> | <u>453,350.00</u> | <u>0.00</u> |
| Total Business-Type Activities | <u>\$1,147,179.61</u> | <u>\$ 277,407.00</u> | <u>\$ 87,629.95</u> | <u>\$1,336,956.66</u> | <u>\$ 89,328.20</u> |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

D. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2023 are as follows:

| Fiscal Year Ending September 30, | <u>Governmental Activities</u> | | <u>Financed Purchases</u> | | <u>Total</u> |
|--|--------------------------------|---------------------|---------------------------|------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 77,449.78 | \$ 14,990.97 | \$ 6,263.56 | \$ 319.01 | \$ 99,023.32 |
| 2025 | 60,356.86 | 12,232.61 | 0.00 | 0.00 | 72,589.47 |
| 2026 | 62,177.84 | 9,459.04 | 0.00 | 0.00 | 71,636.88 |
| 2027 | 60,019.49 | 6,669.99 | 0.00 | 0.00 | 66,689.48 |
| 2028 | 53,948.44 | 3,907.87 | 0.00 | 0.00 | 57,856.31 |
| 2029-2032 | <u>48,548.98</u> | <u>1,860.25</u> | <u>0.00</u> | <u>0.00</u> | <u>50,409.23</u> |
| Totals | \$ <u>362,501.39</u> | \$ <u>49,120.73</u> | \$ <u>6,263.56</u> | \$ <u>319.01</u> | \$ <u>418,204.69</u> |

Debt service requirements on long-term debt at September 30, 2023 are as follows:

| Fiscal Year Ending September 30, | <u>Business-Type Activities</u> | | <u>Total</u> |
|--|---------------------------------|----------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 89,328.20 | \$ 23,813.54 | \$ 115,165.74 |
| 2025 | 90,386.91 | 21,002.18 | 113,414.09 |
| 2026 | 85,247.89 | 18,243.29 | 105,517.18 |
| 2027 | 87,625.20 | 15,590.73 | 105,242.93 |
| 2028 | 82,703.24 | 12,879.50 | 97,610.74 |
| 2029-2033 | 373,315.22 | 32,287.40 | 405,602.62 |
| 2034 | <u>75,000.00</u> | <u>918.75</u> | <u>77,952.75</u> |
| Totals | \$ <u>883,606.66</u> | \$ <u>124,735.39</u> | \$ <u>1,020,506.05</u> |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 8 - SHORT-TERM DEBT

On May 18, 2014, the City issued a \$120,000.00 temporary General Obligation Note. This note was issued for the purpose of acquiring land.

Short-term activity for the year ended September 30, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Proceeds</u> | <u>Repaid</u> | <u>General Balance</u> |
|--------------------------------------|------------------------------|-----------------|----------------|----------------------------|
| Temporary General Obligation Note | \$ <u>120,000.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>120,000.00</u> |

NOTE 9 - CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds or the general fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 10 - RISK MANAGEMENT:

The City is exposed to various risks of losses related to torts; thefts of damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City.

(Continued)

NOTE 11 - DEFINED BENEFIT PENSION PLAN

The City participates in a defined benefit pension plan. The employees of both the City and the Water Works Fund are covered under the plan. As a result, the required disclosures are allocated between the two based on employee contributions and pensionable wages.

General Information about the Pension Plan

A. Plan Description

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established as of October 1, 1945 pursuant to the Code of Alabama 1975, Title 36, Chapter 27 (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, Cities 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. Effective October 1, 2021 Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control. The Plan is administered by the Retirement Systems of Alabama (RSA). The Code of Alabama 1975, Title 36, Chapter 27, grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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 the participating municipality or city in ERS pursuant of the *Code of Alabama 1975, section 36-27-6*.
 - d. One vested active employee of a participating county in ERS pursuant of the *Code of Alabama 1975, Section 36-27-6*.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

A. Plan Description - (Continued)

- e. One vested active employee or retiree of a participating employer in ERS pursuant of 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 35-27-6*.

B. 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 of 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013, Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a 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 credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

B. Benefits Provided - (Continued)

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

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 included 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 | <u>39</u> |
| Total | <u>108,890</u> |

C. 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.

(Continued)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

C. Contributions - (Continued)

Employers participating in the ERS pursuant to Code of Alabama 1975, Section 35-27-6 were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

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 pre-retirement death benefit and administrative expenses of the Plan.

For the year ended September 30, 2023, the City's active employee contribution rate was: 5.00% of covered employee payroll for regular Tier 1 employees; 6.00% of covered employee payroll for FLC Tier 1 employees; 7.50% of covered employee payroll for regular employees and 8.50% of covered employee payroll for FLC Tier 2 employees. The City's average contribution rate to fund the normal and accrued liability costs was 10.46% of covered employee payroll.

For the year ended September 30, 2023, the Water Works Fund's active employee contribution rate was: 5.00% of covered employee payroll for regular Tier 1 employees; 7.50% of covered employee payroll for FLC Tier 2 employees. The Water Works Fund's average contribution rate to fund the normal and accrued liability costs was 12.51% of covered employee payroll.

The City's contractually required contribution rate for the year ended September 30, 2023 was 14.18% of pensionable pay for Tier 1 employees and 11.87% of pensionable pay for Tier 2 employees. The Water Works Fund's required contribution rate for the year ended September 30, 2023 was 14.18% of pensionable pay for Tier 1 employees and 11.87% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2020, a percent of the annual pensionable payroll the actuarially determined as

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

C. Contributions - (Continued)

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 fund from the City and the Water Works Fund were \$65,632 and \$34,119, respectively, for the year ended September 30, 2023.

D. Net Pension Liability

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

| | <u>City</u> | <u>Water Works Fund</u> |
|---|--------------|-----------------------------|
| Total Pension Liability as of September 30, 2021 (a) | \$ 2,010,088 | \$ 896,343 |
| Entry Age Normal Cost for October 1, 2021 - September 30, 2022 (b) | \$ 62,703 | \$ 27,960 |
| Transfers Among Employers | \$ 2,819 | \$ 1,302 |
| Actual Benefit Payments and Refunds for October 1, 2021 - September 30, 2022(c) | \$ (73,319) | \$ (32,695) |
| Total Pension Liability as of September 30, 2022 [(a) x (1.0745)] + (b) - [(c) x (1.03725)] | \$ 2,149,410 | \$ 958,471 |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

E. Actuarial Assumptions

The total pension liability as of September 30, 2022 was determined based on the manual 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% for State and Local Employees and 4.00% - 7.75% for State Police, including inflation\ |
| Investment Rate of Return | 7.45% including inflation |

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:

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

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

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

E. Actuarial Assumptions - (Continued)

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

| | <u>Target Allocation</u> | <u>Long-term Expected Rate Return*</u> |
|--|------------------------------|--|
| 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 | <u>5.00%</u> | 1.50% |
| Total | <u>100.00%</u> | |

*Includes assumed rate of inflation of 2.00%

F. 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.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

G. Changes in Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| <u>City</u> | | | |
| Balances at September 30, 2021 | \$ <u>1,865,150</u> | \$ <u>1,333,867</u> | \$ <u>531,283</u> |
| Changes for the year: | | | |
| Service Cost | 62,703 | -0- | 62,703 |
| Interest | 131,507 | -0- | 131,507 |
| Changes in Benefit Terms | -0- | -0- | -0- |
| Changes in Assumptions | -0- | -0- | -0- |
| Differences Between Expected and Actual Experience | 223,746 | -0- | 223,746 |
| Contributions - Employer | -0- | 50,460 | (50,460) |
| Contributions - Employee | -0- | 34,700 | (34,700) |
| Net Investment Income | -0- | (165,030) | 165,030 |
| Benefit Payments, including Refunds of Employee Contributions | (73,319) | (73,319) | -0- |
| Administrative Expense | -0- | -0- | -0- |
| Transfers Among Employers | (60,377) | (47,924) | (12,453) |
| Net Changes | <u>284,260</u> | <u>(201,113)</u> | <u>485,373</u> |
| Balances at September 30, 2022 | \$ <u>2,149,410</u> | \$ <u>1,132,754</u> | \$ <u>1,016,656</u> |
| | | | |
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| <u>Water Works Fund</u> | | | |
| Balances at September 30, 2021 | \$ <u>761,248</u> | \$ <u>542,343</u> | \$ <u>218,905</u> |
| Changes for the year: | | | |
| Service Cost | 27,960 | -0- | 27,960 |
| Interest | 58,642 | -0- | 58,642 |
| Changes in Benefit Terms | -0- | -0- | -0- |
| Changes in Assumptions | -0- | -0- | -0- |
| Differences Between Expected and Actual Experience | 99,774 | -0- | 99,774 |
| Contributions - Employer | -0- | 22,501 | (22,501) |
| Contributions - Employee | -0- | 15,473 | (15,473) |
| Net Investment Income | -0- | (73,590) | 73,590 |
| Benefit Payments, including Refunds of Employee Contributions | (32,695) | (32,695) | -0- |
| Administrative Expense | -0- | -0- | -0- |
| Transfers Among Employers | 43,542 | 31,089 | 12,453 |
| Net Changes | <u>197,223</u> | <u>(37,222)</u> | <u>234,445</u> |
| Balances at September 30, 2022 | \$ <u>958,471</u> | \$ <u>505,121</u> | \$ <u>453,350</u> |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

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

The following table presents the 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 using a discount rate that is 1-percentage point lower (6.45%) or 1 percentage - point higher (8.45%) than the current rate:

| | 1% Decrease <u>(6.45%)</u> | Current Rate <u>(7.45%)</u> | 1% Increase <u>(8.47%)</u> |
|---|-------------------------------|--------------------------------|-------------------------------|
| City's Net Pension Liability | \$ <u>746,621</u> | \$ <u>1,016,656</u> | \$ <u>351,481</u> |
| Water Works Board's Net Pension Liability | \$ <u>307,631</u> | \$ <u>453,350</u> | \$ <u>144,821</u> |

I. Pension Plan Fiduciary Net Position

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

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

The City reports its Financial Statements on the modified cash basis of accounting and does not report deferred outflows of resources and deferred inflows of resources. If the City had reported the deferred outflows of resources and deferred inflows of resources, then for the year ended September 30, 2023, the City would have recognized pension expense of \$243,389. At September 30, 2023, the City would give reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 378,031 | \$ 241,003 |
| Changes in Assumptions | 151,895 | -0- |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 137,572 | -0- |
| Employer Contributions Subsequent to the Measurement Date | <u>65,632</u> | <u>-0-</u> |
| Total | \$ <u>733,130</u> | \$ <u>241,003</u> |

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 11 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General Information About the Pension Plan - (Continued)

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

\$65,632 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date would have been recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as outflows of resources and deferred inflows of resources related to pensions would have been recognized in pension expense as follows:

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

| | |
|------------|-------------|
| 2024 | \$ 129,684 |
| 2025 | \$ 95,352 |
| 2026 | \$ 98,529 |
| 2027 | \$ 102,873 |
| 2028 | \$ 33,299 |
| Thereafter | \$ (33,242) |

For the year ended September 30, 2023 the Water Works Fund recognized pension expense of \$127,301. At September 30, 2023, the Water Works Fund reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 168,573 | \$ 107,468 |
| Changes in Assumptions | 67,733 | -0- |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 61,347 | -0- |
| Employer Contributions Subsequent | <u>34,119</u> | <u>-0-</u> |
| Total | \$ <u>331,772</u> | \$ <u>107,468</u> |

\$34,119 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date would have been recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as outflows of resources and deferred inflows of resources related to pensions would have been recognized in pension expense as follows:

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

Year Ended September 30:

| | |
|------------|-------------|
| 2024 | \$ 57,829 |
| 2025 | \$ 42,520 |
| 2026 | \$ 43,937 |
| 2027 | \$ 45,873 |
| 2028 | \$ 14,849 |
| Thereafter | \$ (14,823) |

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

GOVERNMENTAL FUNDS

LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>Total Pension Liability</u> | | | | | |
| Service Cost | \$ 62,703 | \$ 41,864 | \$ 44,049 | \$ 48,799 | \$ 49,613 |
| Interest | 131,507 | 106,918 | 128,640 | 127,057 | 91,775 |
| Changes in Benefit Terms | -0- | 48,446 | -0- | -0- | -0- |
| Differences Between Expected and Actual Experience | 223,746 | 127,930 | (197,021) | (76,826) | 222,159 |
| Changes in Assumptions | -0- | 164,018 | -0- | -0- | 8,090 |
| Benefit Payment, including Refunds of Employee Contributions | (73,319) | (91,888) | (92,003) | (110,880) | (95,432) |
| Transfers among Employers | <u>(60,377)</u> | <u>13,325</u> | <u>(153,872)</u> | <u>53,500</u> | <u>225,099</u> |
| Net Change in Total Pension Liability | 284,260 | 410,613 | (270,207) | 41,650 | 501,304 |
| Total Pension Liability - Beginning | <u>1,865,150</u> | <u>1,454,537</u> | <u>1,724,744</u> | <u>1,683,094</u> | <u>1,181,790</u> |
| Total Pension Liability - Ending (a) | <u>\$ 2,149,410</u> | <u>\$ 1,865,150</u> | <u>\$ 1,454,537</u> | <u>\$ 1,724,744</u> | <u>\$ 1,683,094</u> |
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Contributions - Employer | \$ 50,460 | \$ 40,027 | \$ 38,768 | \$ 25,929 | \$ 14,649 |
| Contribution - Member | 34,700 | 26,237 | 23,880 | 22,298 | 22,001 |
| Net Investment Income | (165,030) | 239,856 | 64,158 | 31,057 | 97,467 |
| Benefit Payments, Including Refunds of Employer Contributions | (73,319) | (91,888) | (92,003) | (110,880) | (95,432) |
| Transfers among Employers | <u>(47,924)</u> | <u>16,227</u> | <u>(144,939)</u> | <u>61,480</u> | <u>226,340</u> |
| Net Change in Plan Fiduciary Net Position | (201,133) | 230,459 | (110,136) | 29,884 | 265,025 |
| Plan Net Position - Beginning | <u>1,333,867</u> | <u>1,103,408</u> | <u>1,213,544</u> | <u>1,183,660</u> | <u>918,635</u> |
| Plan Net Position - Ending (b) | <u>\$ 1,132,754</u> | <u>\$ 1,333,867</u> | <u>\$ 1,103,408</u> | <u>\$ 1,213,544</u> | <u>\$ 1,183,660</u> |

(Continued)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - (CONTINUED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|-------------------|-------------|
| <u>Total Pension Liability</u> | | | | | |
| Cost | \$ 41,877 | \$ 35,508 | \$ 41,852 | \$ 26,605 | # |
| Interest | 91,456 | 104,386 | 70,151 | 66,665 | |
| Changes in Benefit Terms | -0- | -0- | -0- | -0- | |
| Differences Between Expected and Actual Experience | (36,401) | (312,448) | 352,729 | -0- | |
| Changes in Assumptions | -0- | 199,526 | -0- | -0- | |
| Benefit Payment, including Refunds of Employee Contributions | (63,063) | (61,788) | (61,781) | (50,565) | |
| Transfers among Employers | <u>(7,725)</u> | <u>(113,785)</u> | <u>-0-</u> | <u>-0-</u> | |
| Net Change in Total Pension Liability | 26,144 | (148,601) | 402,951 | 42,705 | |
| Total Pension Liability - Beginning | <u>1,155,646</u> | <u>1,304,247</u> | <u>901,296</u> | <u>858,591</u> | |
| Total Pension Liability - Ending (a) | <u>\$ 1,181,790</u> | <u>\$ 1,155,646</u> | <u>\$ 1,304,247</u> | <u>\$ 901,296</u> | |
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Contributions - Employer | \$ 23,301 | \$ 25,795 | \$ 26,049 | \$ 24,143 | |
| Contribution - Member | 24,843 | 22,273 | 21,848 | 19,419 | |
| Net Investment Income | 111,909 | 86,068 | 11,021 | 91,928 | |
| Benefit Payments, Including Refunds of Employer Contributions | (63,063) | (61,788) | (61,781) | (50,565) | |
| Transfers among Employers | <u>(14,320)</u> | <u>(121,770)</u> | <u>(81,795)</u> | <u>230,959</u> | |
| Net Change in Plan Fiduciary Net Position | 82,670 | (49,422) | (84,658) | 315,884 | |
| Plan Net Position - Beginning | <u>835,965</u> | <u>885,387</u> | <u>970,045</u> | <u>654,161</u> | |
| Plan Net Position - Ending (b) | <u>\$ 918,635</u> | <u>\$ 835,965</u> | <u>\$ 885,387</u> | <u>\$ 970,045</u> | |

(Continued)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - (CONTINUED)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Net Pension Liability (Asset) – Ending (a)-(b) | \$ <u>1,016,656</u> | \$ <u>531,283</u> | \$ <u>351,129</u> | \$ <u>511,200</u> | \$ <u>499,434</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 52.70% | 71.52% | 75.86% | 70.36% | 70.33% |
| Covered-Employee Payroll | \$ <u>489,797</u> | \$ <u>416,347</u> | \$ <u>396,612</u> | \$ <u>359,860</u> | \$ <u>356,751</u> |
| Net Pension Liability (Asset) as a Percentage Of Covered - Employee Payroll | 207.57% | 127.61% | 88.53% | 142.06% | 140.00% |

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - (CONTINUED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|-------------------|--------------------|-------------|
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Net Pension Liability (Asset) - Ending (a)(b) | \$ <u>263,155</u> | \$ <u>319,681</u> | \$ <u>418,860</u> | \$ <u>(68,749)</u> | # |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 77.73% | 72.34% | 67.88% | 107.63% | |
| Covered-Employee Payroll | \$ <u>427,572</u> | \$ <u>391,453</u> | \$ <u>375,037</u> | \$ <u>224,188</u> | |
| Net Pension Liability (Asset) as a Percentage Of Covered - Employee Payroll | 61.55% | 81.67% | 111.68% | (30.67%) | |

- information not available

* - Employer's covered payroll during the measurement period is the total covered payroll. For FY 2023, the measurement period is October 1, 2021 to September 30, 2022.

See Paragraph on Required Supplementary Information in the Auditor's Report.

CITY OF RIVERSIDE, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Total Employer Contributions</u> | | | | | |
| Actuarially Determined Contribution | \$ 65,632 | \$ 51,250 | \$ 41,879 | \$ 39,160 | \$ 26,860 |
| Contributions in Relation to the Actuarially Determined Contribution* | <u>65,632</u> | <u>51,250</u> | <u>41,979</u> | <u>39,160</u> | <u>26,860</u> |
| Contribution Deficiency (Excess) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Covered — Employee Payroll | \$ <u>508,425</u> | \$ <u>489,797</u> | \$ <u>416,347</u> | \$ <u>396,612</u> | \$ <u>359,860</u> |
| Contributions as a Percentage of Covered Employee Payroll | 12.91% | 10.46% | 10.06% | 9.87% | 7.46% |

(Continued)

SCHEDULE OF EMPLOYER CONTRIBUTIONS - (Continued)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------|
| Actuarially Determined Contribution | \$ 15,154 | \$ 26,553 | \$ 28,354 | \$ 28,018 | # |
| Contributions in Relation to the Actuarially Determined Contribution | <u>15,154</u> | <u>26,553</u> | <u>28,354</u> | <u>28,018</u> | |
| Contribution Deficiency (Excess) | \$ <u>-0-</u> | \$ <u>-0-</u> | \$ <u>-0-</u> | \$ <u>-0-</u> | |
| Covered – Employer Payroll | \$ <u>356,751</u> | \$ <u>427,572</u> | \$ <u>391,453</u> | \$ <u>375,036</u> | |
| Contributions as a Percentage of Covered Employee Payroll | 4.25% | 6.21% | 7.24% | 7.47% | |

#Information not available

Notes to Schedule

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

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

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percent Closed |
| Remaining Amortization Period | 23.2 Years |
| Asset Valuation Method | Five Year Smoothed Market |
| Inflation | 2.750% |
| Salary Increases | 3.250-5.000%, including Inflation |
| Investment Rate of Return | 7.700% - Net of Pension Plan Investment Expense, including Inflation |

See Paragraph on Required Supplementary Information in the Independent Auditor's Report.

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

PROPRIETARY FUND - WATER WORKS FUND

LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

CITY OF RIVERSIDE, ALABAMA

LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Total Pension Liability</u> | | | | | |
| Service Cost | \$ 27,960 | \$ 17,249 | \$ 17,635 | \$ 18,343 | \$ 17,558 |
| Interest | 58,642 | 44,054 | 51,503 | 47,760 | 32,481 |
| Changes in Benefit Terms | -0- | 19,961 | -0- | -0- | -0- |
| Differences Between Expected and Actual Experience | 99,774 | 52,711 | (78,880) | (28,879) | 78,625 |
| Changes in Assumptions | -0- | 67,581 | -0- | -0- | 2,863 |
| Benefit Payment, Including Refunds of Employee Contributions | (32,695) | (37,860) | (36,835) | (41,679) | (33,775) |
| Transfers among Employers | <u>43,542</u> | <u>8,392</u> | <u>(52,672)</u> | <u>28,090</u> | <u>80,907</u> |
| Net Change in Total Pension Liability | 197,223 | 172,088 | (99,249) | 23,635 | 178,659 |
| Total Pension Liability - Beginning | <u>761,248</u> | <u>589,160</u> | <u>688,409</u> | <u>664,774</u> | <u>486,115</u> |
| Total Pension Liability - Ending (a) | \$ <u><u>958,471</u></u> | \$ <u><u>761,248</u></u> | \$ <u><u>589,160</u></u> | \$ <u><u>688,409</u></u> | \$ <u><u>664,774</u></u> |
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Contributions - Employer | \$ 22,501 | \$ 16,493 | \$ 15,522 | \$ 9,747 | \$ 5,184 |
| Contribution - Member | 15,473 | 10,811 | 9,560 | 8,382 | 7,786 |
| Net Investment Income | (73,590) | 98,828 | 25,687 | 11,674 | 34,495 |
| Benefit Payments, Including Refunds of Employer Contributions | (32,695) | (37,860) | (36,835) | (41,679) | (33,775) |
| Transfers among Employers | <u>31,089</u> | <u>5,490</u> | <u>(61,605)</u> | <u>20,110</u> | <u>79,666</u> |
| Net Change in Plan Fiduciary Net Position | (37,222) | 93,762 | (47,671) | 8,234 | 93,356 |
| Plan Net Position - Beginning | <u>542,343</u> | <u>448,581</u> | <u>496,252</u> | <u>488,018</u> | <u>394,662</u> |
| Plan Net Position - Ending (b) | \$ <u><u>505,121</u></u> | \$ <u><u>542,343</u></u> | \$ <u><u>448,581</u></u> | \$ <u><u>496,252</u></u> | \$ <u><u>488,018</u></u> |

(Continued)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - PROPRIETARY FUND - WATER WORKS FUND - (CONTINUED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------|
| <u>Total Pension Liability</u> | | | | | |
| Service Cost | \$ 14,554 | \$ 13,327 | \$ 16,805 | \$ 10,953 | # |
| Interest | 31,783 | 39,179 | 28,169 | 27,441 | |
| Changes in Benefit Terms | -0- | -0- | -0- | -0- | |
| Differences Between Expected and Actual Experience | (12,651) | (117,270) | 141,635 | -0- | |
| Changes in Assumptions | -0- | 74,888 | -0- | -0- | |
| Benefit Payment, Including Refunds of Employee Contributions | (21,916) | (23,191) | (24,808) | (20,814) | |
| Transfers among Employers | <u>(2,685)</u> | <u>(42,707)</u> | <u>-0-</u> | <u>-0-</u> | |
| Net Change in Total Pension Liability | 9,085 | (55,774) | 161,801 | 17,580 | |
| Total Pension Liability - Beginning | <u>477,030</u> | <u>532,804</u> | <u>371,003</u> | <u>353,423</u> | |
| Total Pension Liability - Ending (a) | <u>\$ 486,115</u> | <u>\$ 477,030</u> | <u>\$ 532,804</u> | <u>\$ 371,003</u> | |
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Contributions - Employer | \$ 8,098 | \$ 9,681 | \$ 10,460 | \$ 9,938 | |
| Contribution - Member | 8,633 | 8,359 | 8,773 | 7,994 | |
| Net Investment Income | 38,892 | 32,304 | 4,425 | 37,840 | |
| Benefit Payments, Including Refunds of Employer Contributions | (21,916) | (23,191) | (24,808) | (20,814) | |
| Transfers among Employers | <u>3,910</u> | <u>(34,722)</u> | <u>(33,538)</u> | <u>95,070</u> | |
| Net Change in Plan Fiduciary Net Position | 37,617 | (7,569) | (34,688) | 130,028 | |
| Plan Net Position - Beginning | <u>357,045</u> | <u>364,614</u> | <u>399,302</u> | <u>269,274</u> | |
| Plan Net Position - Ending (b) | <u>\$ 394,662</u> | <u>\$ 357,045</u> | <u>\$ 364,614</u> | <u>\$ 399,302</u> | |

(Continued)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - (CONTINUED)

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Net Pension Liability (Asset) - Ending (a)-(b) | \$ <u>453,350</u> | \$ <u>218,905</u> | \$ <u>140,579</u> | \$ <u>192,157</u> | \$ <u>176,756</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 52.70% | 71.24% | 76.14% | 72.09% | 73.41% |
| Covered-Employee Payroll | \$ <u>247,786</u> | \$ <u>145,581</u> | \$ <u>175,119</u> | \$ <u>162,860</u> | \$ <u>149,611</u> |
| Net Pension Liability (Asset) as a Percentage of Covered - Employee Payroll | 182.96% | 150.37% | 80.28% | 117.99% | 118.14% |

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - (CONTINUED)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|-------------------|--------------------|-------------|
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Net Pension Liability (Asset) - Ending (a)-(b) | \$ <u>91,453</u> | \$ <u>119,985</u> | \$ <u>168,190</u> | \$ <u>(28,299)</u> | # |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.19% | 74.85% | 68.43% | 107.63% | |
| Covered-Employee Payroll | \$ <u>133,754</u> | \$ <u>148,786</u> | \$ <u>139,634</u> | \$ <u>112,620</u> | |
| Net Pension Liability (Asset) as a Percentage of Covered - Employee Payroll | 68.37% | 80.64% | 120.45% | (25.13)% | |

- information not available

* - Employer's covered payroll during the measurement period is the total covered payroll. For FY 2023, the measurement period is October 1, 2021 to September 30, 2022.

See Paragraph on Required Supplementary Information in the Auditor's Report.

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF EMPLOYER CONTRIBUTIONS
PROPRIATARY FUND - WATER WORKS FUND
LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Total Employer Contributions</u> | | | | | |
| Actuarially Determined Contribution | \$ <u>34,119</u> | \$ <u>24,625</u> | \$ <u>16,843</u> | \$ <u>17,729</u> | \$ <u>11,352</u> |
| Contribution s in Relation to the Actuarially Determined Contribution | <u>34,119</u> | <u>24,625</u> | <u>16,843</u> | <u>17,729</u> | <u>11,352</u> |
| Contribution Deficiency (Excess) | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> |
| Covered - Employee Payroll | \$ <u>272,632</u> | \$ <u>247,786</u> | \$ <u>145,581</u> | \$ <u>175,119</u> | \$ <u>162,860</u> |
| Contributions as a Percentage of Covered Employee Payroll | 12.51% | 9.94% | 11.57% | 10.12% | 6.97% |

(Continued)

SCHEDULE OF EMPLOYER CONTRIBUTIONS — PROPRIATARY FUND - WATER WORKS FUND(Continued)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------|
| Actuarially Determined Contribution | \$ <u>7,156</u> | \$ <u>8,563</u> | \$ <u>9,687</u> | \$ <u>10,257</u> | # |
| Contribution s in Relation to the Actuarially Determined Contribution | <u>7,156</u> | <u>8,563</u> | <u>9,687</u> | <u>10,257</u> | |
| Contribution Deficiency (Excess) | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>0.00</u> | |
| Covered - Employee Payroll | \$ <u>149,611</u> | \$ <u>133,754</u> | \$ <u>148,786</u> | \$ <u>139,634</u> | |
| Contributions as a Percentage of Covered Employee Payroll | 4.78% | 6.40% | 6.51% | 7.35% | |

#Information not available

Notes to Schedule

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

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

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percent Closed |
| Remaining Amortization Period | 23.2 Years |
| Asset Valuation Method | Five Year Smoothed Market |
| Inflation | 2.750% |
| Salary Increases | 3.250-5.000%, including Inflation |
| Investment Rate of Return | 7.700% - Net of Pension Plan Investment Expense, including Inflation |

See Paragraph on Required Supplementary Information in the Independent Auditor's Report.

STEVEN D. MOORE, C.P.A.
GEOFFREY R. BRYANT, C.P.A.

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INDEPENDENT AUDITOR'S
REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information to City of Riverside, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Riverside's basic financial statements, and have issued our report thereon dated May 14, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described below, that we consider as a significant deficiency:

(Continued)

Internal Control Over Financial Reporting - (Continued)

Under professional standards promulgated by the American Institute of Certified Public Accounts, there is a rebuttable assumption that a deficiency in internal control exists when the financial statements and related disclosures are drafted by the auditor, unless the Organization possesses an accounting department that is staffed with personnel with the requisite skills and training to perform such functions and the function was performed by the auditor as an accommodation to management. For the engagement, financial statements were submitted to us by management that were generated as a by-product of the bookkeeping system. We proposed certain adjustments to these financial statements consisting primarily of client entries to convert to the accrual method, drafted the final financial statements, drafted the disclosures required by professional standards and submitted the draft to management for approval.

Due to the nature and size of the Organization, it may not be practical or possible to perform these functions internally. Therefore, management may wish to acknowledge and accept this deficiency or develop compensating controls.

Compliance and Other Matters

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

City of Riverside's Response to Findings

The City of Riverside acknowledges and accepts this deficiency identified in our audit. The City of Riverside's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

POTTER, BRYANT, & MOORE, P. C.
Certified Public Accountants

Potter, Bryant & Moore, P.C.

Birmingham, Alabama
May 14, 2024

OTHER INFORMATION

SCHEDULE 1CITY OF RIVERSIDE, ALABAMASCHEDULE OF CASH - ALL FUNDSSEPTEMBER 30, 2023

| | <u>Checking Accounts</u> | <u>Money Market Accounts</u> | <u>Savings</u> | <u>Total</u> |
|---------------------------------------|------------------------------|----------------------------------|---------------------|------------------------|
| <u>General Fund</u> | | | | |
| General Fund Checking | \$ 673,296.36 | \$ 0.00 | \$ 0.00 | \$ 673,296.36 |
| \$0.04 Cent Gasoline Tax | 0.00 | 442.45 | 0.00 | 442.45 |
| \$0.07 Cent Gasoline Tax | 0.00 | 474.38 | 0.00 | 474.38 |
| Asset Forfeiture Account | 0.00 | 2,344.78 | 0.00 | 2,344.78 |
| Capital Improvement Fund | 0.00 | 56,651.34 | 0.00 | 56,651.34 |
| Parks and Rec Checking Account | 53,101.75 | 0.00 | 0.00 | 53,101.75 |
| Equitable Sharing Forfeiture Account | 0.00 | 0.00 | 1,967.35 | 1,967.35 |
| Fire Fund Checking | 76,290.07 | 0.00 | 0.00 | 76,290.07 |
| Fire Fund Savings | 0.00 | 0.00 | 20,025.49 | 20,045.49 |
| WSRF 2014 Loan Fund | 100.00 | 0.00 | 0.00 | 100.00 |
| <u>Special Revenue Fund</u> | | | | |
| Cash Bond Account | 3,900.00 | 0.00 | 0.00 | 3,900.00 |
| Court Corrections Checking | 0.00 | 17,475.80 | 0.00 | 17,475.80 |
| Intercept Fund | 0.00 | 100.00 | 0.00 | 100.00 |
| Municipal Court | 9,627.32 | 0.00 | 0.00 | 9,627.32 |
| Road Fund Checking | 76,560.75 | 0.00 | 0.00 | 76,560.75 |
| <u>Proprietary Fund</u> | | | | |
| Water Fund Checking | (35,543.32) | 0.00 | 0.00 | (35,543.32) |
| Water Testing Deposits and Extensions | <u>0.00</u> | <u>0.00</u> | <u>48,985.00</u> | <u>48,985.00</u> |
| Totals | \$ <u>857,332.93</u> | \$ <u>77,488.75</u> | \$ <u>70,997.84</u> | \$ <u>1,005,819.52</u> |

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF REVENUES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>General Fund</u> | <u>Other Governmental Fund</u> | <u>Total Governmental Funds</u> |
|---|------------------------|--|---|
| <u>Licenses, Taxes, and Fees</u> | | | |
| Gasoline Tax | \$ 8,256.70 | \$ 33,578.22 | \$ 41,834.92 |
| 4 Cent Gasoline Tax | 0.00 | 3,756.49 | 3,756.49 |
| 5 Cent Gasoline Tax | 0.00 | 1,855.81 | 1,855.81 |
| 7 Cent Gasoline Tax | 0.00 | 6,495.33 | 6,495.33 |
| Cable Tax | 2,761.52 | 0.00 | 2,761.52 |
| Licenses and Permits | 203,529.36 | 0.00 | 203,529.36 |
| Liquor, Cigarette, and Beer Taxes | 7,329.68 | 0.00 | 7,329.68 |
| Lodgings Tax | 17,053.90 | 0.00 | 17,053.90 |
| Motor Vehicle Tags | 1,230.03 | 440.76 | 1,670.79 |
| Property Taxes | 234,568.15 | 0.00 | 234,568.15 |
| Sales Taxes | 623,062.28 | 0.00 | 623,062.28 |
| Total Licenses, Taxes, and Fees | <u>1,097,791.62</u> | <u>46,126.61</u> | <u>1,143,918.23</u> |
| <u>Fines and Court Cost Collections</u> | <u>0.00</u> | <u>40,202.01</u> | <u>40,202.01</u> |
| <u>Interest Income</u> | <u>920.06</u> | <u>17.69</u> | <u>937.75</u> |
| <u>Capital Improvements Grant</u> | <u>22,904.61</u> | <u>0.00</u> | <u>22,904.61</u> |
| <u>Other Revenues</u> | | | |
| Boat Launch Fees | 12,645.00 | 0.00 | 12,645.00 |
| Fire Department Fees | 146,742.89 | 0.00 | 146,742.89 |
| Gasoline Sales | 171,822.56 | 0.00 | 171,822.56 |
| Miscellaneous Revenue | 16,986.02 | 0.00 | 16,986.02 |
| Police Income | 1,068.00 | 0.00 | 1,068.00 |
| Variance and Other Fees | 3,063.64 | 0.00 | 3,063.64 |
| Total Other Revenues | <u>352,328.11</u> | <u>0.00</u> | <u>352,328.11</u> |
| Total Revenues | <u>\$ 1,473,944.40</u> | <u>\$ 86,346.31</u> | <u>\$ 1,560,290.71</u> |

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2023

| | <u>General Fund</u> | <u>Other Governmental Fund</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|----------------------|--|---|
| <u>General Government</u> | | | |
| Animal Control | \$ 8,500.00 | \$ 0.00 | \$ 8,500.00 |
| Bank Fees | 3,312.50 | 0.00 | 3,312.50 |
| Computer Expense | 8,963.67 | 0.00 | 8,963.67 |
| Dues | 7,297.03 | 0.00 | 7,297.03 |
| Equipment Expense - Non- Capitalized | 12,876.70 | 0.00 | 12,876.70 |
| Insurance: | | | |
| Employee Health Insurance | 50,552.37 | 0.00 | 50,552.37 |
| General Liability | | | |
| and Fidelity Bonds | 59,150.00 | 0.00 | 59,150.00 |
| Marina - Capitalized Improvements | 25,698.50 | 0.00 | 25,698.50 |
| Marina - Credit Card Charges | 12,880.89 | 0.00 | 12,880.89 |
| Marina - Equipment Maintenance | 11,708.15 | 0.00 | 11,708.15 |
| Marina - Gasoline | 144,771.00 | 0.00 | 144,771.00 |
| Marina - Repairs | 9,627.36 | 0.00 | 9,627.36 |
| Office Supplies and Expense | 96,889.49 | 0.00 | 96,889.49 |
| Park Expense | 46,349.18 | 0.00 | 46,349.18 |
| Payroll Taxes | 10,691.50 | 0.00 | 10,691.50 |
| Playground | 20,377.96 | 0.00 | 20,377.96 |
| Professional Fees | 11,000.00 | 0.00 | 11,000.00 |
| Repair and Maintenance | 18,218.67 | 0.00 | 18,218.67 |
| Retirement Expenses | 13,456.82 | 0.00 | 13,456.82 |
| Salaries - Administrative | 134,223.20 | 0.00 | 134,223.20 |
| Telephone Expenses | 9,837.64 | 0.00 | 9,837.64 |
| Travel and Training | 10,341.22 | 0.00 | 10,341.22 |
| Utilities | <u>15,706.42</u> | <u>0.00</u> | <u>15,706.42</u> |
| Total General Government | \$ <u>742,430.27</u> | \$ <u>0.00</u> | \$ <u>742,430.47</u> |
| <u>Public Safety</u> | | | |
| Police Department: | | | |
| Auto Expense | \$ 5,921.39 | \$ 0.00 | \$ 5,921.39 |
| Dispatch Expense | 30,110.08 | 0.00 | 30,110.08 |
| Drug Enforcement Unit Service | 2,500.00 | 0.00 | 2,500.00 |
| Equipment Expense | | | |
| - Capitalized | 83,282.90 | 0.00 | 83,282.90 |
| Equipment Expense | | | |
| - Non-Capitalized | 850.00 | 0.00 | 850.00 |
| Gasoline and Oil Expense | 24,779.89 | 0.00 | 24,779.89 |
| Insurance | 3,513.00 | 0.00 | 3,513.00 |
| Loan Payments - Principal | 21,175.72 | 0.00 | 21,175.72 |
| Loan Payments - Interest | 2,103.42 | 0.00 | 2,103.42 |
| Payroll Taxes | 17,744.97 | 0.00 | 17,744.97 |
| Retirement Expense | 31,000.65 | 0.00 | 31,000.65 |
| Salaries | 235,409.74 | 0.00 | 235,409.74 |

(Continued)

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS -
(CONTINUED)

| | <u>General Fund</u> | <u>Other Governmental Fund</u> | <u>Total Governmental Funds</u> |
|------------------------------------|----------------------|--|---|
| <u>Public Safety - (Continued)</u> | | | |
| Police Department - (Continued): | | | |
| Supplies | \$ 17,859.37 | \$ 0.00 | \$ 17,859.37 |
| Telephone Expense | 2,594.60 | 0.00 | 2,594.60 |
| Travel | 100.00 | 0.00 | 100.00 |
| Uniforms | <u>5,377.82</u> | <u>0.00</u> | <u>5,377.82</u> |
| Total Police Department | <u>484,323.55</u> | <u>0.00</u> | <u>484,323.55</u> |
| Fire Department: | | | |
| Dispatch Expense | 6,000.00 | 0.00 | 6,000.00 |
| EMS Supplies | 4,994.10 | 0.00 | 4,994.10 |
| Equipment Expense - Capitalized | 26,156.51 | 0.00 | 26,156.51 |
| Insurance and Bonds | 5,000.00 | 0.00 | 5,000.00 |
| Lease Payments - Principal | 15,087.70 | 0.00 | 15,087.70 |
| Lease Payments - Interest | 4,403.90 | 0.00 | 4,403.90 |
| Office Expenses | 1,097.00 | 0.00 | 1,097.00 |
| Payroll Taxes | 13,020.04 | 0.00 | 13,020.04 |
| Repairs and Maintenance | 22,367.87 | 0.00 | 22,367.87 |
| Retirement Expense | 19,908.54 | 0.00 | 19,908.54 |
| Salaries | 172,727.51 | 0.00 | 172,727.51 |
| Supplies | 25,764.59 | 0.00 | 25,764.59 |
| Utilities | <u>2,965.53</u> | <u>0.00</u> | <u>2,965.53</u> |
| Total Fire Department | <u>319,493.29</u> | <u>0.00</u> | <u>319,493.29</u> |
| Court and Corrections: | | | |
| Indigent Defense | 0.00 | 2,520.00 | 2,520.00 |
| Jail Expense | 0.00 | 3,325.00 | 3,325.00 |
| Judges Expense | 0.00 | 3,341.52 | 3,341.52 |
| Office and Computer Expenses | 0.00 | 3,750.00 | 3,750.00 |
| Other Court Costs | 12,141.52 | 1,030.64 | 13,172.16 |
| State Funds | <u>0.00</u> | <u>10,280.41</u> | <u>10,280.41</u> |
| Total Court and Corrections | <u>12,141.52</u> | <u>24,247.57</u> | <u>36,389.09</u> |
| Total Public Safety | \$ <u>815,958.36</u> | \$ <u>24,247.57</u> | \$ <u>840,205.93</u> |

(Continued)

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS -
(CONTINUED)

| | <u>General Fund</u> | <u>Other Governmental Fund</u> | <u>Total Governmental Funds</u> |
|---------------------------------|---------------------|--|---|
| <u>Streets and Public Works</u> | | | |
| Street Department: | | | |
| Equipment Maintenance | \$ 0.00 | \$ 3,219.70 | \$ 3,219.70 |
| Street and Bridge Maintenance | <u>0.00</u> | <u>12,342.29</u> | <u>12,342.29</u> |
| Total Streets and Public Works | \$ <u>0.00</u> | \$ <u>15,561.99</u> | \$ <u>15,561.99</u> |
| <u>Building Inspector</u> | | | |
| Other Expenses | \$ 765.87 | \$ 0.00 | \$ 765.87 |
| Payroll Taxes | 803.92 | 0.00 | 803.92 |
| Retirement Expense | 1,265.98 | 0.00 | 1,265.98 |
| Salaries | <u>10,665.00</u> | <u>0.00</u> | <u>10,665.00</u> |
| Total Building Inspector | \$ <u>13,500.77</u> | \$ <u>0.00</u> | \$ <u>13,500.77</u> |
| <u>Debt Service</u> | | | |
| Bond Escrow Fees | \$ 985.38 | \$ 0.00 | \$ 985.38 |
| Principal Payments | 41,093.32 | 0.00 | 41,093.32 |
| Interest Payments | <u>6,437.94</u> | <u>0.00</u> | <u>6,437.94</u> |
| Total Debt Service | \$ <u>48,516.64</u> | \$ <u>0.00</u> | \$ <u>48,516.64</u> |

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF DEBT SERVICE
GENERAL OBLIGATION WARRANTS, SERIES 2009
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Due</u> <u>March 1st</u> <u>Interest</u> | <u>Due September 1st</u> | | | <u>Total</u> <u>Debt Service</u> |
|-------------|--|-------------------------------------|---------------------|----------------------|-------------------------------------|
| | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2024 | \$ 4,996.88 | \$ 30,000.00 | \$ 4,996.87 | \$ 34,996.87 | \$ 39,993.75 |
| 2025 | 4,228.13 | 30,000.00 | 4,228.12 | 34,228.12 | 38,456.25 |
| 2026 | 3,459.38 | 30,000.00 | 3,459.37 | 33,459.37 | 36,918.75 |
| 2027 | 2,690.63 | 35,000.00 | 2,690.62 | 37,690.62 | 40,381.25 |
| 2028 | 1,793.75 | 35,000.00 | 1,793.75 | 36,793.75 | 38,587.50 |
| 2029 | <u>896.88</u> | <u>35,000.00</u> | <u>896.87</u> | <u>35,896.87</u> | <u>36,793.75</u> |
| | <u>\$ 18,065.65</u> | <u>\$ 195,000.00</u> | <u>\$ 18,065.60</u> | <u>\$ 213,065.60</u> | <u>\$ 231,131.25</u> |

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF DEBT SERVICE
DRINKING WATER STATE REVOLVING FUND
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Due February 15th</u> | | | <u>Due</u> <u>August 15th</u> | <u>Total</u> <u>Debt Service</u> |
|-------------|-------------------------------------|---------------------|----------------------|---|-------------------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest</u> | |
| 2024 | \$ 60,000.00 | \$ 9,187.50 | \$ 69,187.50 | \$ 8,452.50 | \$ 77,640.00 |
| 2025 | 60,000.00 | 8,452.50 | 68,452.50 | 7,717.50 | 76,170.00 |
| 2026 | 65,000.00 | 7,717.50 | 72,717.50 | 6,921.25 | 79,638.75 |
| 2027 | 65,000.00 | 6,921.25 | 71,921.25 | 6,125.00 | 78,046.25 |
| 2028 | 65,000.00 | 6,125.00 | 71,125.00 | 5,328.75 | 76,453.75 |
| 2029 | 70,000.00 | 5,328.75 | 75,328.75 | 4,471.25 | 79,800.00 |
| 2030 | 70,000.00 | 4,471.25 | 74,471.25 | 3,613.75 | 78,085.00 |
| 2031 | 70,000.00 | 3,613.75 | 73,613.75 | 2,756.25 | 76,370.00 |
| 2032 | 75,000.00 | 2,756.25 | 77,756.25 | 1,837.50 | 79,593.75 |
| 2033 | 75,000.00 | 1,837.50 | 76,837.50 | 918.75 | 77,756.25 |
| 2034 | <u>75,000.00</u> | <u>918.75</u> | <u>75,918.75</u> | <u>0.00</u> | <u>75,918.75</u> |
| | <u>\$ 750,000.00</u> | <u>\$ 57,330.00</u> | <u>\$ 807,330.00</u> | <u>\$ 48,142.50</u> | <u>\$ 855,472.50</u> |

CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF DEBT SERVICE
MERTO BANK - VANNICK ROAD
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|---------------------|-----------------|-------------------------------|
| 2024 | \$ <u>18,834.09</u> | \$ <u>64.61</u> | \$ <u>18,898.70</u> |

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE
KANSAS STATE BANK - FIRE TRUCK
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|----------------------|---------------------|-------------------------------|
| 2024 | \$ 15,653.49 | \$ 3,838.11 | \$ 19,491.60 |
| 2025 | 16,240.48 | 3,251.12 | 19,491.60 |
| 2026 | 16,849.48 | 2,642.12 | 19,491.60 |
| 2027 | 17,481.32 | 2,010.28 | 19,491.60 |
| 2028 | 18,136.86 | 1,354.74 | 19,491.60 |
| 2029 | 18,817.00 | 674.60 | 19,491.60 |
| 2030 | <u>8,047.20</u> | <u>74.30</u> | <u>8,121.50</u> |
| Total | \$ <u>111,225.83</u> | \$ <u>13,845.27</u> | \$ <u>125,071.10</u> |

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE
METRO BANK - POLICE VEHICLE
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|---------------------|--------------------|-------------------------------|
| 2024 | \$ 9,427.88 | \$ 915.28 | \$ 10,343.16 |
| 2025 | 9,738.90 | 604.26 | 10,343.16 |
| 2026 | 10,060.17 | 282.99 | 10,343.16 |
| 2027 | <u>3,231.20</u> | <u>19.31</u> | <u>3,520.51</u> |
| Total | \$ <u>32,458.15</u> | \$ <u>1,821.84</u> | \$ <u>34,279.99</u> |

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE
METRO BANK - WATER TRUCK
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|---------------------|------------------|-------------------------------|
| 2024 | \$ 9,959.11 | \$ 520.37 | \$ 10,479.48 |
| 2025 | <u>10,589.92</u> | <u>191.83</u> | <u>10,781.75</u> |
| Total | \$ <u>20,549.03</u> | \$ <u>712.20</u> | \$ <u>21,261.23</u> |

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE
METRO BANK - POLICE VEHICLES
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|---------------------|---------------------|-------------------------------|
| 2024 | \$ 14,947.37 | \$ 3,981.19 | \$ 18,928.56 |
| 2025 | 15,790.53 | 3,138.03 | 18,928.56 |
| 2026 | 16,681.24 | 2,247.32 | 18,928.56 |
| 2027 | 17,622.19 | 1,306.37 | 18,928.56 |
| 2028 | <u>14,126.80</u> | <u>330.45</u> | <u>14,457.25</u> |
| Total | \$ <u>79,168.13</u> | \$ <u>11,003.36</u> | \$ <u>90,171.49</u> |

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE
METRO BANK - WATER TRUCK
SEPTEMBER 30, 2023

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|---------------------|--------------------|-------------------------------|
| 2024 | \$ 7,956.04 | \$ 1,851.20 | \$ 9,807.24 |
| 2025 | 8,383.94 | 1,423.30 | 9,807.24 |
| 2026 | 8,834.84 | 972.40 | 9,807.24 |
| 2027 | 9,309.98 | 497.26 | 9,807.24 |
| 2028 | <u>4,388.02</u> | <u>60.93</u> | <u>4,448.95</u> |
| Total | \$ <u>38,872.82</u> | \$ <u>4,805.09</u> | \$ <u>43,677.91</u> |