

**CITY OF TUSCUMBIA
ALABAMA**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

CITY OF TUSCUMBIA

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Hunt & Associates

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American Institute of CPAs
Alabama Society of CPAs
Institute of Management Accountants

Randall L. Hunt
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
Tuscumbia, Alabama

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Tuscumbia, Alabama (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Tuscumbia, Alabama as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Tuscumbia, Alabama, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to and do not present fairly the financial position of the reporting entity of the City of Tuscumbia, Alabama as of September 30, 2020, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the City of Tuscumbia, Alabama, as of and for the year ended September 30, 2020, and our report thereon, dated June 10, 2021, expressed an unmodified opinion on those financial statements.

Other Matters

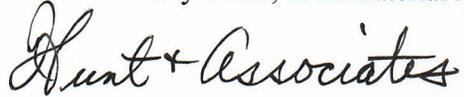
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the net pension liability, and the schedule of employer contributions, on pages 4–8 and 32–36, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tuscumbia, Alabama's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Hunt & Associates". The signature is written in dark ink and is positioned above the printed name of the firm.

Hunt & Associates

June 10, 2021

Management's Discussion and Analysis

As management of the City of Tuscumbia, Alabama ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Comparative analyses of key elements of total governmental funds have been provided.

Financial Highlights

- ♦ The assets and deferred outflows of the City of Tuscumbia exceeded its liabilities and deferred inflows at the close of fiscal year 2020 by \$6,263,072 (net position).
- ♦ Total revenues of the governmental activities were \$8,631,214 and expenditures were \$8,185,775 creating an increase in net position of \$445,439.
- ♦ The City's net long-term debt decreased by \$491,569.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The main governmental activities of the City include general government, public safety, culture and recreation, and public works.

This discussion and analysis focuses on the primary government. The complete financial statements (including MD&A) of the component unit may be obtained from the Finance Department of the City.

Fund financial statement. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City are reported as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances on spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds:

- The General Fund, 2012 Warrant Fund, and the 2018 Warrant Fund are considered major funds with information being presented separately in the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances for these funds.
- The other governmental funds are considered non-major governmental funds and they are combined into a single, aggregated presentation in the governmental funds' financial statements. Individual fund data for each of these funds is provided in the form of combining statements in the supplementary information section.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The budgetary comparison schedule, pension schedules, and combining non-major governmental funds statements referred to earlier can be found in the Required Supplementary Information Other Than MD&A and Supplementary Information, respectively.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position.

City of Tuscumbia Net Position - Primary Government September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Current and other assets	\$ 2,337,003	\$ 1,962,622
Capital assets (net)	12,571,028	12,933,391
Total Assets	14,908,031	14,896,013
Deferred outflows	525,784	536,652
Other liabilities	332,247	501,353
Long-term liabilities	8,437,860	8,381,157
Total liabilities	8,770,107	8,882,510
Deferred inflows	400,636	732,522
Net investment in capital assets	7,391,957	7,262,751
Restricted	830,862	714,649
Unrestricted	(1,959,747)	(2,159,767)
Total net position	\$ 6,263,072	\$ 5,817,633

CAPITAL ASSETS, DEBT, AND ADMINISTRATION

Capital Assets

The City has worked extensively to develop and adequately maintain capital assets. City streets are routinely inspected for potholes, shoulder deterioration and other maintenance concerns. On a regularly scheduled basis, the City resurfaces streets utilizing shared gasoline tax revenues.

The City's Capital Assets September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Land	\$ 217,099	\$ 217,099
Buildings	3,145,350	3,051,592
Equipment and vehicles	4,216,804	4,163,600
Improvements	5,222,833	5,222,833
Infrastructure	7,853,509	7,820,401
Total capital assets	20,655,595	20,475,525
Less: Accumulated depreciation	8,084,567	7,542,134
Net capital assets	\$ 12,571,028	\$ 12,933,391

Debt

The City has worked diligently to keep debt to a reasonable level but from time to time additional debt is necessary. Debt payments of required principal and interest are paid in a timely manner. The City's debt is summarized as follows.

**The City's Warrant and Other Notes
September 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Series 2012 Warrant	\$ 2,465,000	\$ 2,740,000
Series 2018 Warrant	2,420,000	2,420,000
Notes payable-financial institutions	294,071	441,149
Note payable-line of credit		69,491
Total debt service	\$ 5,179,071	\$ 5,670,640

Additional information can be found in the notes to the financial statement.

Financial Analysis of the Governmental Funds

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

**City of Tuscumbia
Schedule of Activities**

	Governmental Activities	
	2020	2019
Revenues		
Taxes	\$ 6,339,892	\$ 6,001,686
Charges for services	1,842,969	1,963,582
Grants and contributions	166,813	2,761,082
Other	281,540	361,310
Total revenues	8,631,214	11,087,660
Expenses		
General and administrative	2,289,715	2,076,596
Public safety	2,242,492	2,111,504
Public works	1,880,553	2,386,703
Culture and recreation	1,099,443	1,247,733
Education	573,892	564,514
Appropriations and other	99,680	92,900
Total expenses	8,185,775	8,479,950
Net change in balances	445,439	2,607,710
Net position—beginning	5,817,633	3,209,923
Net position—ending	\$ 6,263,072	\$ 5,817,633

OTHER HIGHLIGHTS

Economic Factors and New Year's Budgets

Tuscumbia's Spring Park continues to be a major attraction for visitors from all over the southeastern states. The Railway Depot has allowed the City to increase its main attractions by including the Railway Museum. The Roundhouse is anticipated to be a major asset to the Museum as well as other main attractions at Spring Park such as the Splash Pad, Roller Coaster, Carousel, Train, and the educational resources that reflect our heritage. Visitors also come to our city because it's the Birthplace of Helen Keller. The Keller Festival, held during the last week of June, continues to grow and is enjoyed by thousands who come here to enjoy our historic town. However, these activities were curtailed in the 2019-2020 fiscal year due to the Covid 19 Pandemic.

The mayor and council have adopted the 2020-2021 Budget with total revenues of approximately \$8,252,556.

Request for Information

This financial report is designed to present a general overview of the City's finances and to demonstrate accountability for the money it receives from taxpayers, customers, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer Department, P.O. Box 29, Tuscumbia, Alabama 35674, by calling (256) 383-5463, or by sending an email to jarmstead@comcast.net.

**CITY OF TUSCUMBIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 910,702
Receivables (net)	298,691
Restricted assets:	
Cash and investments	1,050,883
Capitalization fee	76,727
Capital assets (net)	<u>12,571,028</u>
Total assets	<u>14,908,031</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>525,784</u>
LIABILITIES	
Accounts payable and accrued expenses	332,247
Long-term liabilities:	
Portion due within one year:	
Warrants and notes payable	452,133
Compensated absences	275,666
Portion due after one year:	
Warrants and notes payable	4,726,938
Compensated absences	204,656
Net pension liability	<u>2,778,467</u>
Total liabilities	<u>8,770,107</u>
DEFERRED INFLOWS OF RESOURCES	<u>400,636</u>
NET POSITION	
Net investment in capital assets	7,391,957
Restricted for:	
Capital projects	246,228
Debt service	332,156
Governmental activities	584,633
Unrestricted	<u>(2,291,902)</u>
Total net position	<u><u>\$ 6,263,072</u></u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

**CITY OF TUSCUMBIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental Activities:					
General and administrative	\$ 2,289,715	\$ 525,867	\$ 152,838	\$ 6,000	\$ (1,605,010)
Public safety	2,242,492	58,631		7,975	(2,175,886)
Public works	1,880,553	1,121,530			(759,023)
Culture and recreation	1,099,443	136,941			(962,502)
Education	573,892				(573,892)
Appropriation	99,680				(99,680)
Total Governmental Activities	<u>8,185,775</u>	<u>1,842,969</u>	<u>152,838</u>	<u>13,975</u>	<u>(6,175,993)</u>
General revenues:					
Taxes:					
Sales, use and lodging					\$ 3,528,248
Advalorem					1,101,781
Payments in lieu of tax					1,056,592
Other taxes					653,271
Interest revenues					1,513
Other					280,027
Total general revenues					<u>6,621,432</u>
Change in net position					445,439
Net position—beginning					5,817,633
Net position—ending					<u><u>\$ 6,263,072</u></u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

**CITY OF TUSCUMBIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>2018 Warrant Fund</u>	<u>2012 Warrant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 910,702	\$ —	\$ —	\$ —	\$ 910,702
Cash and cash equivalents-restricted		93,330	301,196	656,357	1,050,883
Receivables (net)	298,691				298,691
Capitalization fee	76,727				76,727
Total assets	<u>\$ 1,286,120</u>	<u>\$ 93,330</u>	<u>\$ 301,196</u>	<u>\$ 656,357</u>	<u>\$ 2,337,003</u>
LIABILITIES					
Accounts payable	\$ 219,523	\$ 33,631	\$ 28,740	\$ 25,495	\$ 307,389
Accrued expenses	24,858				24,858
Total liabilities	<u>244,381</u>	<u>33,631</u>	<u>28,740</u>	<u>25,495</u>	<u>332,247</u>
FUND BALANCES					
Non-spendable	76,727				76,727
Restricted for:					
Capital projects				246,228	246,228
Debt service		59,699	272,456	1	332,156
Governmental activities	200,000			384,633	584,633
Unassigned	765,012				765,012
Total fund balances	<u>1,041,739</u>	<u>\$ 59,699</u>	<u>\$ 272,456</u>	<u>630,862</u>	<u>2,004,756</u>
Total liabilities and fund balances	<u>\$ 1,286,120</u>	<u>\$ 93,330</u>	<u>\$ 301,196</u>	<u>\$ 656,357</u>	<u>\$ 2,337,003</u>

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total fund balance—governmental funds	\$ 2,004,756
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 funds.	
Capital assets	\$ 20,655,595
Accumulated depreciation	<u>(8,084,567)</u>
	12,571,028
Deferred outflows of resources are not reported in governmental funds.	525,784
Deferred inflows of resources are not reported in governmental funds.	(400,636)
Long-term liabilities are not due and payable in the current period and therefore are not recorded as liabilities in the funds.	
Warrants and notes payable	(5,179,071)
Compensated absences	(480,322)
Net pension liability	<u>(2,778,467)</u>
Net position of governmental activities	<u><u>\$ 6,263,072</u></u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

CITY OF TUSCUMBIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>2018 Warrant Fund</u>	<u>2012 Warrant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 6,236,402	\$ —	\$ —	\$ 103,490	\$ 6,339,892
Licenses, permits, and rentals	525,867				525,867
Fines and forfeitures	58,631				58,631
Charges for services	1,258,471				1,258,471
Grants and contributions	166,813				166,813
Interest revenues	420		848	245	1,513
Other	61,043			218,984	280,027
Total revenues	<u>8,307,647</u>	<u>—</u>	<u>848</u>	<u>322,719</u>	<u>8,631,214</u>
EXPENDITURES					
Current operating:					
General and administrative	2,098,391			48	2,098,439
Public safety	2,146,795				2,146,795
Public works	1,515,711			17,532	1,533,243
Culture and recreation	888,379				888,379
Appropriations	99,680				99,680
Education funding for school district	573,892				573,892
Capital outlay and improvements		250,743		66,838	317,581
Debt service	412,830	80,715	342,103	28,389	864,037
Total expenditures	<u>7,735,678</u>	<u>331,458</u>	<u>342,103</u>	<u>112,807</u>	<u>8,522,046</u>
Excess (deficiency) of revenues over expenditures	<u>571,969</u>	<u>(331,458)</u>	<u>(341,255)</u>	<u>209,912</u>	<u>109,168</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from debt issuance	200,000				200,000
Transfers in	24,961	80,713	344,980		450,654
Transfers out	(425,693)			(24,961)	(450,654)
Total other financing sources (uses)	<u>(200,732)</u>	<u>80,713</u>	<u>\$ 344,980</u>	<u>(24,961)</u>	<u>200,000</u>
Net change in fund balances	371,237	(250,745)	\$ 3,725	184,951	309,168
Fund balances—beginning	670,502	310,444	268,731	445,911	1,695,588
Fund balances—ending	<u>\$ 1,041,739</u>	<u>\$ 59,699</u>	<u>\$ 272,456</u>	<u>\$ 630,862</u>	<u>\$ 2,004,756</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

**CITY OF TUSCUMBIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Total net change in fund balances—governmental funds \$ 309,168

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	\$ 180,070	
Depreciation expense	<u>(542,433)</u>	(362,363)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred on the statement of net position and are amortized over the life of the debt. The effect of these differences in the treatment of long-term debt and related items are detailed below:

Repayments of debt principal	\$ 691,569	
Proceeds from warrants	<u>(200,000)</u>	491,569

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

Increase in net pension obligation		(262,456)
Increase in compensated absences		(51,497)
Decrease in deferred inflows		331,886
Decrease in deferred outflows		<u>(10,868)</u>

Change in net position of governmental activities	\$ 445,439
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CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The City of Tuscumbia, Alabama (City) is a municipal corporation incorporated on December 30, 1820 under the laws of the State of Alabama. The City operates under a Mayor-Council form of government. The Mayor, elected for a four-year term, is the head of the municipal government for ceremonial, administrative, and executive purposes. The Mayor oversees the enforcement of all laws and ordinances and executes all contracts, conveyances, and evidences of indebtedness of the City. Legislative authority is vested in a five-member council elected by district for a four-year term with the chair pro tempore of the Council being selected by the Council members. The City Council enacts ordinances and resolutions relating to tax levies; appropriates and borrows money; and accepts bids for materials and services and other municipal purposes.

The primary government of the City consists of all funds and departments that are not legally separate from the City. The primary government includes the City departments that provide the following services: police protection, fire protection and prevention, street maintenance and repairs, building inspection, planning and zoning, parks and recreation, solid waste collection, as well as administrative staff to provide support services. The operation and control of these activities are provided by the City Council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations are Component Units" and GASB 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34," which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burden on the City, or the nature and significance of the relationship between the City and the organization is such that exclusion would cause the City's financial statements to be incomplete.

Component units of the City issue separately audited financial statements. Copies of these reports are available from the respective organizations; therefore, the component unit financial statement notes are not repeated here.

Based upon the foregoing criteria and information, the City considers the City of Tuscumbia Utilities (Electricity, Natural Gas, and Water and Sewer Departments) and the City of Tuscumbia Board of Education to be discretely presented component units for financial reporting purposes. These are discussed further below:

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units

City of Tusculmbia Utilities – Electricity, Natural Gas, and Water and Sewer Departments – The Tusculmbia Utilities (Utilities) provide utility services to the residents of the City. On June 14, 2007, the Alabama Legislature passed Act 2007-502 (HB961) that amended the authority and duties of the Tusculmbia Utilities Board (Board), as stated herein. The Utilities are governed by a three-member board of directors that are appointed by the City Council for staggered six-year terms. The City also issues bonded debt for the utilities. The Board is authorized to establish all utility rates. The Board is required to obtain approval from the City Council of expenditures for system improvements greater than \$50,000. The Act established in lieu of tax rates for each department. The City is secondary liable for the outstanding debt of the Utilities. The financial statements of each department are presented as a Proprietary Fund type. Each department is reported in a separate column in a combining statement in the basic financial statements with the total of all discretely presented component units reported in the government-wide financial statements to emphasize that they are legally separate from the City. The Electricity Department has a June 30 year-end, while the Natural Gas and Water and Sewer Departments have a September 30 year-end. The Utilities financial statements are not presented in this report.

Complete financial statements for each of the utility individual component units may be obtained from their administrative office located at 202 East Sixth Street, Tusculmbia, Alabama 35674.

Tusculmbia City Board of Education - The Tusculmbia City Board of Education is a legally separate entity that is governed by a five-member board appointed by the City Council. The Board of Education derives a significant amount of revenue for its general fund from appropriations and other City-imposed taxes (primarily property and sales tax). Additionally, the city owns a significant portion of the school facilities and property. These were purchased through general obligation warrants of the city. The Board of Education financial statements are not presented in this report.

Complete financial statements of the Board of Education component unit may be obtained from their administrative office located at 303 North Commons Street East, Tusculmbia, Alabama 35674.

Related Organizations - Other related organizations are excluded from the reporting entity because the City's accountability does not extend beyond the appointment of members to the governing board. These are:

Helen Keller Birthplace Foundation, Historic Preservation Board, Zoning Adjustments Board, and Housing Authority Board.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Other - The following are separate legal entities that are jointly governed by the City and other municipalities in which no government appoints a voting majority of the Board. The organizations were created for the benefit of Shoals area residents and generally receive financial assistance from various governments. These are:

- Shoals Economic Development Authority Board
- Riverbend Center for Mental Health Board
- Shoals Solid Waste Disposal Authority
- Colbert Convention and Tourism Board

B. Government-Wide and Fund Financial Statements

Government-wide financial statements consist of a statement of net position and a statement of activities. These financial statements report all of the non-fiduciary activities of the primary government. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Governmental activities are normally supported by taxes whereas business-type activities rely mainly on fees and charges for services.

The statement of net position presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include charges for goods or services and operating and capital grants and contributions. Revenues that are not classified as program revenues are presented as general revenues and include all taxes.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units as promulgated by the Governmental Auditing Standards Board (GASB).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all requirements have been satisfied.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when the resources are measurable and available. Measurable means the amount can be determined and available means collectible within a certain period or soon thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recognized when the liability is incurred. Debt service expenditures, compensated absences, and other long-term commitments are recorded when the payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

The City reports the following major governmental funds:

General Fund – The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Alabama.

2012 Warrant Fund – This Fund accounts for the transfers from other funds and the payment of the 2012 warrants.

2018 Warrant Fund – This Fund accounts for the transfers from other funds and the payment of the 2018 warrants.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues are those revenues that are generated directly from providing services in connection with the primary activity of the fund's ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services and benefit fees. Operating expenses include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of inter-fund activity has been removed from the government-wide financial statements. Exceptions to this rule are in lieu of tax payments and other charges between various functions of the City. Elimination of these charges would distort the direct cost and program revenues reported for the various functions affected.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Cash Equivalents

The City considers cash and cash equivalents to include cash on hand, demand deposits, short-term investments with original maturities of three months or less and certificates of deposit. State statutes authorize the City to invest in obligations of the U.S. Treasury and the State of Alabama including general obligations of its counties and municipalities.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Receivables and Payables

Receivables consist of taxes and other miscellaneous receipts. Payables represent amounts owed to vendors for goods and services.

Inventory

Inventory consists of materials and supplies held for consumption or construction projects. Inventories are presented at the lower of cost or market.

Due to/Due from

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Capital Assets

Capital assets are recorded at historical cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. The City’s capitalization level is \$10,000 on tangible personal property, \$10,000 on buildings and improvements, and \$50,000 on infrastructure.

All capital assets are depreciated, except for land, inexhaustible land improvements, and construction in progress. Depreciation is computed on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings, structures, and improvements	20-50
Furniture, fixtures, and equipment	3-20
Roads and streets	50
Storm sewers and drainage ditches	30
Utilities	
Utility plant	4-50

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Capitalization Fee

In November 1993, the City paid a one-time capitalization fee of \$76,727 to become a member of the Alabama Municipal Insurance Corporation (AMIC). The capitalization fee is nonrefundable and entitles the City to purchase insurance through AMIC. In the event of liquidation or distribution of profits, the City would receive a pro-rata distribution based on its investment.

Compensated Absences

All permanent employees of the City accumulate annual and sick leave during the calendar year. Annual leave is earned at a rate of five to twenty days per calendar year for all permanent employees, depending on years of service; date of hire, and department employed, and is accrued as a liability at the current rate of pay. The policy allows employees to accumulate a maximum of 160 days of annual leave. After three years of continuous service, employees may work during their annual leave period up to a maximum equal to one-half of the total annual leave granted per year. Employees who choose to work a portion of their annual leave time will receive the normal pay plus annual leave pay for the period worked. Sick leave is earned at the rate of one day per month of employment for all permanent employees. The policy allows employees to accumulate an unlimited number of sick leave days.

Employees may use their accrued sick leave as membership service in determining the total years of creditable service in the retirement system, with no additional cost to the City. Because employees do not receive compensation for unused sick leave at termination, no liability is recorded in the financial statements.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, the estimated current portion of the liability is reported as a fund liability.

Transfers

The City may transfer amounts between funds to insure continuing operations. These receivables and payables are classified as “due from other funds” or “due to other funds”.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Long-term Debt

In the government-wide financial statements, outstanding long-term debt is reported as a liability. The governmental fund financial statements recognize debt proceeds and premiums as other financing sources of the current period. Issuance costs are reported as debt service expenditures.

Net Position

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:

- ♦ *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.
- ♦ *Restricted* – Constraints imposed on net position by external creditors, grantors', contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation. Restricted assets may also represent certain resources that are segregated from other resources to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of the City or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.
- ♦ *Unrestricted* – Net position that is not subject to external imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Council.

When an expense is incurred for purposes for which there are both restricted and unrestricted net positions available, it is the City's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position. It is also the City's policy to apply expenditures to committed, then assigned, and lastly unassigned net positions to the extent such amounts are available.

Budgetary Process

The City Council adopted an annual budget for the General Fund but not the 2012 and 2018 Warrant Fund. Budgets for other nonmajor funds are not required. All annual appropriations lapse at year-end.

Estimates

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

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are:

- ♦ Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact such as inventory. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
- ♦ Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The City has established a General Fund reserve policy.
- ♦ Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinances or resolutions). Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts.
- ♦ Assigned – Amounts in the assigned fund balance classification are intended by City action to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.
- ♦ Unassigned – Unassigned fund balance is the residual classification and includes all spendable amounts not contained in the other classifications.

Pensions

The Employees' Retirement System of Alabama (ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the 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.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

Revenues

Sales Tax - The City levies tax on taxable sales within the City. Sales tax applicable to the month of September, but not received until after year-end, are recorded as a receivable on both the government-wide and the fund financial statements.

Property taxes - Property taxes are levied and are due and payable on October 1 of each year and may be paid without penalty through December 31. All unpaid taxes on real and personal property become delinquent on January 2 of the year following the year in which the taxes were levied. Penalties, interest, and late fees are assessed on all payments made after December 31. On the first Monday in April of each year, a tax auction for real property is held at which a certificate of lien is sold at auction for properties on which the taxes are delinquent.

NOTE 2 – Cash and Investments

Deposits are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. Deposits exceeding \$250,000 are made to banks participating in the Security for Alabama Funds Enhancement Program (SAFE Program). In the State of Alabama, all public funds are protected through a collateral pool administered by the Alabama State Treasurer. Banks holding deposits belonging to the state, counties, cities, or agencies of any of these entities must pledge securities as collateral against those deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, then every bank participating in the pool would share the liability for the remaining balance.

Each of the banks containing more than \$250,000 of the City of Tuscumbia’s deposits have been designated by the State Treasurer as a qualified public depository.

NOTE 3 – Interfund Transfers

Interfund transfers for the year ended September 30, 2020 consisted of the following:

<i>Transfer From</i>	<i>Transfer to Other Funds</i>
General Fund	\$ 425,693
Other Funds	24,961
Total Transfers	<u>\$ 450,654</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for and are carried at fair market value.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 4 – Receivables

Receivables at year-end were as follows:

	<i>Accounts</i>	<i>Taxes</i>	<i>Due from Other Governments</i>	<i>Total</i>
Primary Government	\$ -	\$ 298,691	\$ -	\$ 298,691

NOTE 5 – Capital Assets

Capital asset activity for the fiscal year was as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements & Adjustments</i>	<i>Ending Balance</i>
Governmental activities:				
Depreciable assets:				
Buildings	\$ 3,051,592	\$ 93,758	\$ —	\$ 3,145,350
Equipment and vehicles	4,163,600	53,204		4,216,804
Improvements	5,222,833			5,222,833
Infrastructure	7,820,401	33,108		7,853,509
Total depreciable capital assets	20,258,426	180,070	—	20,438,496
Land (nondepreciable)	217,099			217,099
Total capital assets	20,475,525	180,070	—	20,655,595
Less accumulated depreciation:	7,542,134	542,433		8,084,567
Total capital assets, net	\$ 12,933,391	\$ (362,363)	\$ —	\$ 12,571,028

Depreciation expense was charged to functions for the fiscal year as follows:

<i>Functions</i>	<i>Amounts</i>
Governmental activities:	
General administraton	\$ 58,966
Public safety	52,580
Public works	106,079
Infrastructure	198,114
Culture and recreation	126,694
Total depreciation expense	\$ 542,433

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 6 – Restricted Assets/Net Assets

General obligation warrants issued by the City require that certain amounts be deposited into restricted funds for specified uses. These funds are invested in cash and short-term U.S government securities and are carried at fair market value. Other restricted assets or net assets are reflected in General Fund, Special Revenue Funds, and Capital Project Funds. See the Governmental Funds Balance Sheet and Combining Balance Sheet for Other Governmental Funds for more detailed information.

NOTE 7 – Warrants and Long-term Debt

On February 1, 2012, the City issued General Obligation Warrants, Series 2012 in the amount of \$3,405,000. These warrants were used to retire the City’s previously issued 2003 warrants. These warrants bear interest at rates of 1.23% to 3.09% and will be paid fully in 2027. Principal is payable annually on November 1. Interest is payable semi-annually on each May 1 and November 1.

On May 24, 2018, the City issued General Obligation Warrants, Series 2018 in the amount of \$2,420,000. These warrants bear interest at rates of 3.00% to 3.60% and will be paid fully in 2038. Principal is payable annually beginning in 2028. Interest is payable semi-annually on each May 1 and November 1.

The City has entered into four secured and unsecured note agreements with banks and finance companies to provide financing for various vehicles, machinery, and equipment. The notes are payable in monthly installments bearing interest rates from 2.15% to 3.8% and mature at varying dates through 2025.

The City has entered into two lines of credit with two banks for \$200,000 for one bearing interest rate of 5.0% and matures in 2020 and another for \$300,000 bearing interest rate of 4.95% and matures in 2020.

Debt activity for the year ended September 30, 2020 was as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements and Adjustments</i>	<i>Ending Balance</i>
General Obligation Warrants				
Series 2012	\$ 2,740,000	\$ -	\$ (275,000)	\$ 2,465,000
Series 2018	2,420,000			2,420,000
Note payable to banks and finance companies payable in monthly installments	441,149		(147,078)	294,071
Note payable to bank for line of credits	69,491	200,000	(269,491)	-
	<u>\$ 5,670,640</u>	<u>\$ 200,000</u>	<u>\$ (691,569)</u>	<u>\$ 5,179,071</u>

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 7 – Warrants and Long-term Debt (continued)

Debt service over the remaining term of the warrant is summarized as follows (amounts in thousands):

<i>Fiscal Year Ending September 30</i>	<i>Principal</i>		<i>Interest</i>		<i>Total</i>	
	<i>Direct</i>		<i>Direct</i>		<i>Principal</i>	<i>Interest</i>
	<i>Borrowings</i>	<i>Bonds</i>	<i>Borrowings</i>	<i>Bonds</i>		
2021	\$ 172	\$ 280	\$ 8	\$ 146	\$ 452	\$ 154
2022	25	285	4	140	310	144
2023	26	295	3	133	321	136
2024	26	305	2	125	331	127
2025	45	310	1	118	355	119
2026 - 2030		1,365		451	1,365	451
2031 - 2035		1,060		266	1,060	266
2036 - 2039		985		71	985	71
Totals	294	4,885	18	1,450	5,179	1,468
Less: portion due within one year	(172)	(280)	(8)	(146)	(452)	(154)
Long-term debt	\$ 122	\$ 4,605	\$ 10	\$ 1,304	\$ 4,727	\$ 1,314

NOTE 8 – Related Party Transactions

The Electricity and Natural Gas Departments are required to pay to the City a tax equivalent that is determined by applying the current property tax rate to their net plant in service at the end of the preceding fiscal year. The amount of tax equivalents paid to the City during the fiscal year was \$404,169 by the Electricity Department and \$110,702 by the Natural Gas Department. The Water and Sewer Department is required, through enabling legislation, to pay its *net revenues*, although the term was not defined in the enabling legislation, on a quarterly basis. The Water and Sewer Department paid \$123,632 during the fiscal year. These amounts are reported as payments in lieu of taxes in the financial statements of the City and as operating expenses by the Utilities.

Under the provisions of Act 2007-502 (HB961) passed by the Alabama Legislature on June 14, 2007, the Electricity Department is required to disburse payments in lieu of taxes in accordance with the terms of the power contract between the Tennessee Valley Authority and the Department, which currently is based on 4.7% of the net plant in service at the end of the preceding fiscal year; (b) the Natural Gas Department is required to disburse payments in lieu of taxes based on 7.4% of the value of the plant in service at the end of the preceding fiscal year, but not to exceed 4.5% of gross sales of natural gas in the preceding fiscal year; and, (c) the Water and Sewer Department is required to disburse payments in lieu of taxes based on thirty-cents (\$.30) per thousand gallons of gross sales of water in the preceding fiscal year.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 8 – Related Party Transactions (continued)

The City made appropriations to the Tuscumbia City Board of Education for the fiscal year in the amount of \$573,892.

NOTE 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for its buildings and contents, automobile liability, employee dishonesty, director's and officer's liability, and employee injury. The City pays an annual premium based on the amount of coverage. Settled claims from these risks did not exceed the City's coverage.

NOTE 10 – Contingencies and Commitments

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to request for reimbursements to the grantor agencies for expenditures disallowed under terms of the grants. City management believes that such disallowance, if any, will be immaterial.

The Public Park Authority of the Shoals, a public corporation created pursuant to State Law by the Cities of Florence, Tuscumbia, Sheffield, and Tuscumbia and the Counties of Colbert and Lauderdale, issued Special Obligation Bonds in the amount of \$17,925,000. These Special Obligation Bonds are to be payable from a new two-cent per gallon gasoline tax levied in Colbert and Lauderdale Counties. While it is anticipated that such gasoline taxes will be sufficient to pay the principal of and interest on these bonds, the Cities of Florence, Muscle Shoals, Sheffield, and Tuscumbia and the Counties of Colbert and Lauderdale have agreed to pay a portion of the debt service on the bonds if the gasoline taxes are insufficient to make such payments. The City's portion of such debt issued by The Public Park Authority of the Shoals is 5.4956%. During the current fiscal year, the City has not been required to remit any amounts for this debt service and the Bonds were paid off.

NOTE 11 – Pension Plan

A. Plan Description

The Employees' Retirement System of Alabama (ERS), an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 11 – Pension Plan (continued)

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 3 of the last 10 years) for each year of service. State Police are allowed 2.875% of 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 are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement. As of the measurement date of September 30, 2019, the City's pension plan had 42 retired members or their beneficiaries currently receiving benefits, 2 vested inactive members, 8 non-vested inactive members and 89 active members.

C. Contributions

Tier 1 covered members contributed 5% or 6% of earnable compensation while Tier 2 covered members contribute 6% or 7% of earnable compensation to the ERS as required by statute. Tier 1 law enforcement covered members contribute 6% of earnable compensation while Tier 2 law enforcement covered members contribute 7% of earnable compensation to the ERS as required by statute. 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 cost 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. The City's contractually required contribution rate for the year ended September 30, 2019 was 10.54% of pensionable pay for Tier 1 employees, and 6.97% of pensionable pay for Tier 2 employees. Total City's contributions to the pension plan from the System was \$257,668 for the year ended September 30, 2020.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 11 – Pension Plan (continued)

D. Net Pension Liability

The City’s net pension liability was measured as of September 30, 2019, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019 using the standard roll-forward techniques as shown in the following table:

	<i>Expected</i>	<i>Actual</i>
(a) TPL as of September 30, 2018	\$ 9,784,100	\$ 9,719,974
(b) Discount Rate	7.70%	7.70%
(c) Entry Age Normal Cost for the period October 1, 2018 - September 30, 2019.	231,083	231,083
(d) Transfers Among Employers:		(33,992)
(e) Actual Benefit Payments and Refunds for the period October 1, 2018 - September 30, 2019	(594,922)	(594,922)
(f) TPL as of September 30, 2019 =[(a) x (1+(b))] + (c) - [(d) x (1+0.5*(b))]	<u>\$ 10,150,732</u>	<u>\$ 10,047,676</u>
(g) Difference between Expected and Actual:		\$ (103,056)
(h) Less Liability Transferred for Immediate Recognition:		<u>(33,992)</u>
(i) Experience (Gain)/Loss = (g) - (h)		<u>\$ (69,064)</u>

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

The following table presents the City’s net pension liability calculated using the discount rate of 7.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<i>1% Decrease (6.70%)</i>	<i>Current Discount Rate (7.70%)</i>	<i>1% Increase (8.70%)</i>
Plan's Net Pension Liability (Asset)	\$ 3,875,406	\$ 2,778,467	\$ 1,844,742

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 11 – Pension Plan (continued)

F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended September 30, 2020, the City recognized pension expense of \$199,297. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 23,063	\$ 400,636
Changes in assumptions	160,401	
Net difference between projected and actual earnings on plan investments	84,652	
Employer contributions subsequent to the measurement date	257,668	
Total	\$ 525,784	\$ 400,636

The \$257,668 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021.

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

<i>Year ended September 30</i>	<i>Amount</i>
2021	\$ (109,303)
2022	(23,171)
2023	8,967
2024	17,659
2025	(25,540)
Thereafter	(1,132)

G. 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, 2019. The supporting actuarial information is included in the GASB 68 Report for the ERS prepared as of September 30, 2019. The auditor’s report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 11 – Pension Plan (continued)

H. Actuarial Assumptions

The total pension liability as of September 30, 2019 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2018. The key actuarial assumptions are summarized below:

Inflation	2.75%
Salary increases	3.25% - 5.00% including inflation
Investment rate of return	7.75%, net of pension plan investment expense

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

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:

<i>Investment Type</i>	<i>Target Allocation</i>	<i>Long-term Expected Rate of Return*</i>
Fixed Income	17.00%	4.40%
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%	10.10%
Real Estate	10.00%	7.50%
Cash	3.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.75%.

CITY OF TUSCUMBIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(Continued)

NOTE 11 – Pension Plan (continued)

I. Changes in Net Pension Liability

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability (a)-(b)</i>
Balances as of September 30, 2018	\$ 9,784,100	\$ 7,268,089	\$ 2,516,011
Changes for the year:			
Service cost	231,083		231,083
Interest	730,471		730,471
Changes of assumptions			—
Difference between expected and actual experience	(69,064)		(69,064)
Contributions - employer		281,136	(281,136)
Contributions - employee		164,619	(164,619)
Net investment income		184,279	(184,279)
Benefit payments, including refunds of employee contributions	(594,922)	(594,922)	—
Transfers among employers	(33,992)	(33,992)	—
Net changes	<u>263,576</u>	<u>1,120</u>	<u>262,456</u>
Balances as of September 30, 2019	<u>\$ 10,047,676</u>	<u>\$ 7,269,209</u>	<u>\$ 2,778,467</u>

J. Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projected 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.

NOTE 12 – Postemployment Benefits Other Than Pensions (OPEB)

The City's other postemployment benefit (OPEB) plan provides medical benefits to eligible retired City employees. Only one retiree is eligible for the benefits. Benefit provisions are established and may be amended by the City Council.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF TUSCUMBIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget— Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Sales, use, and lodging	\$ 3,371,686	\$ 3,371,686	\$ 3,528,248	\$ 156,562
Advalorem	1,026,450	1,026,450	1,101,781	75,331
Payment in lieu of tax	1,125,617	1,125,617	1,056,592	(69,025)
Motor fuel	189,600	189,600	181,086	(8,514)
Alcoholic beverages	109,400	109,400	118,648	9,248
Franchise tax	84,200	84,200	85,442	1,242
Tobacco tax	71,100	71,100	72,845	1,745
Other	76,200	76,200	91,760	15,560
Total taxes	<u>6,054,253</u>	<u>6,054,253</u>	<u>6,236,402</u>	<u>182,149</u>
Licenses, permits, and rentals	<u>534,600</u>	<u>534,600</u>	<u>525,867</u>	<u>(8,733)</u>
Fines and forfeitures	<u>65,500</u>	<u>65,500</u>	<u>58,631</u>	<u>(6,869)</u>
Charges for services:				
Culture and recreation	267,200	267,200	136,941	(130,259)
Solid waste disposal	1,050,000	1,050,000	1,056,467	6,467
Other	82,750	82,750	65,063	(17,687)
Total charges for services	<u>1,399,950</u>	<u>1,399,950</u>	<u>1,258,471</u>	<u>(141,479)</u>
Other				
Grants and contributions	23,600	23,600	166,813	143,213
Interest revenue	200	200	420	220
Miscellaneous	107,550	107,550	61,042	(46,508)
Total other	<u>131,350</u>	<u>131,350</u>	<u>228,275</u>	<u>96,925</u>
Proceeds from debt issuance			200,000	200,000
Total revenues	<u>8,185,653</u>	<u>8,185,653</u>	<u>8,507,646</u>	<u>321,993</u>
Expenditures:				
Current operations:				
General and administrative services				
Mayor	70,609	70,609	59,015	11,594
City treasurer	266,318	266,318	258,933	7,385
City council	45,879	45,879	45,013	866
Buildings	99,146	99,146	92,210	6,936
Legal	53,000	53,000	59,598	(6,598)
Other professional services	71,850	71,850	91,203	(19,353)
Community promotion	73,213	73,213	74,764	(1,551)
Insurance	187,000	187,000	181,108	5,892

CITY OF TUSCUMBIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Final Budget—</u> <u>Positive</u> <u>(Negative)</u>
General and administrative services (continued)				
Employee benefits (unallocated)	1,217,220	1,217,220	1,236,547	(19,327)
Total general and administrative	<u>2,084,235</u>	<u>2,084,235</u>	<u>2,098,391</u>	<u>(14,156)</u>
Public safety				
Police	1,234,933	1,234,933	1,279,965	(45,032)
Municipal court	118,490	118,490	99,321	19,169
Fire	724,065	724,065	767,509	(43,444)
Total public safety	<u>2,077,488</u>	<u>2,077,488</u>	<u>2,146,795</u>	<u>(69,307)</u>
Public works				
Streets	413,371	413,371	373,142	40,229
Municipal lighting and utilities	240,000	240,000	241,781	(1,781)
Cemetery	122,167	122,167	105,356	16,811
Maintenance	39,685	39,685	55,817	(16,132)
Sanitation	773,639	773,639	739,615	34,024
Total public works	<u>1,588,862</u>	<u>1,588,862</u>	<u>1,515,711</u>	<u>73,151</u>
Culture and recreation				
Parks and recreation	576,078	576,078	469,412	106,666
Railroad depot	169,552	169,552	124,499	45,053
Golf course	131,225	131,225	142,204	(10,979)
Library	178,344	178,344	138,742	39,602
Senior citizens center	14,531	14,531	13,522	1,009
Total culture and recreation	<u>1,069,730</u>	<u>1,069,730</u>	<u>888,379</u>	<u>181,351</u>
Other				
Appropriations	100,487	100,487	99,680	807
Education-funding for school district	570,625	570,625	573,892	(3,267)
Transfers from other funds			620,732	(620,732)
Debt service	17,500	17,500	412,830	(395,330)
Other	6,000	6,000		6,000
Total other	<u>694,612</u>	<u>694,612</u>	<u>1,707,134</u>	<u>(1,012,522)</u>
Total expenditures	<u><u>7,514,927</u></u>	<u><u>7,514,927</u></u>	<u><u>8,356,410</u></u>	<u><u>(841,483)</u></u>
Net change in fund balance	<u><u>\$ 670,726</u></u>	<u><u>\$ 670,726</u></u>	151,236	<u><u>\$ (519,490)</u></u>
Fund balances—beginning			<u>670,502</u>	
Fund balances—ending			<u><u>\$ 821,738</u></u>	

**CITY OF TUSCUMBIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows and resources

Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedule	\$ 8,507,646
Differences-budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	
Note proceeds from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(200,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 8,307,646</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,356,410
Differences-budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	
	<u>(620,732)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 7,735,678</u>

CITY OF TUSCUMBIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
Last 10 Fiscal Years Ending September 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total pension liability										
Entry age normal (service) cost	\$ 231,083	\$ 234,674	\$ 232,999	\$ 228,542	\$ 226,393	\$ 222,025				
Interest	730,471	732,598	705,778	678,568	685,226	656,437				
Difference between expected and actual experience	(69,064)	(347,757)	43,415	(125,353)	(442,651)					
Changes of assumptions		49,175		357,450						
Benefit payments, including refunds of employee contributions	(594,922)	(583,667)	(555,638)	(610,761)	(493,638)	(543,564)				
Transfers among employers	(33,992)	(45,631)	(66,474)	68,706						
Net change in total pension liability	263,576	39,392	360,080	597,152	(24,670)	334,898				
Total pension liability - beginning	9,784,100	9,744,708	9,384,628	8,787,476	8,812,146	8,477,248				
Total pension liability - ending (a)	<u>\$ 10,047,676</u>	<u>\$ 9,784,100</u>	<u>\$ 9,744,708</u>	<u>\$ 9,384,628</u>	<u>\$ 8,787,476</u>	<u>\$ 8,812,146</u>				
Plan fiduciary net position										
Contributions - employer	\$ 281,136	\$ 234,224	\$ 239,408	\$ 261,957	\$ 266,017	\$ 257,131				
Contributions - employee	164,619	229,240	147,607	148,674	150,849	138,043				
Net investment income	184,279	622,687	786,466	584,662	69,229	645,781				
Benefit payments, including refunds of employee contributions	(594,922)	(583,667)	(555,638)	(610,761)	(493,638)	(543,564)				
Transfers among employees	(33,995)	(45,631)	(66,474)	68,706	(118,963)	(41,188)				
Net change in plan fiduciary net position	1,117	456,853	551,369	453,238	(126,506)	456,203				
Plan net position - beginning	7,268,089	6,811,236	6,259,867	5,806,629	5,933,135	5,476,932				
Plan net position - ending (b)	<u>\$ 7,269,206</u>	<u>\$ 7,268,089</u>	<u>\$ 6,811,236</u>	<u>\$ 6,259,867</u>	<u>\$ 5,806,629</u>	<u>\$ 5,933,135</u>				
Net pension liability - ending (a) - (b)	\$ 2,778,470	\$ 2,516,011	\$ 2,933,472	\$ 3,124,761	\$ 2,980,847	\$ 2,879,011				
Plan fiduciary net position as a percentage of the total pension liability	72.35%	74.28%	69.90%	66.70%	66.08%	67.33%				
Covered payroll*	\$ 2,759,561	\$ 2,606,392	\$ 2,658,348	\$ 2,618,036	\$ 2,559,413	\$ 2,548,105				
Net pension liability as a percentage of covered-employee payroll	100.69%	96.53%	110.35%	119.36%	116.47%	112.99%				

*Employer covered payroll during the measurement period is the total covered payroll. For FY2020 the measurement period is October 1, 2018 - September 30, 2019. GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for FY2017.

CITY OF TUSCUMBIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution*	\$ 257,668	\$ 280,945	\$ 243,885	\$ 261,957	\$ 266,017	\$ 257,131				
Contributions in relation to the actuarially determined contribution*	<u>257,668</u>	<u>280,945</u>	<u>243,885</u>	<u>261,957</u>	<u>266,017</u>	<u>257,131</u>				
Contribution deficiency (excess)	<u>\$ —</u>									
Covered-employee payroll**	\$ 2,759,561	\$ 2,606,392	\$ 2,658,348	\$ 2,618,036	\$ 2,559,413	\$ 2,548,105				
Contributions as a percentage of covered-employee payroll	9.34%	10.78%	9.17%	10.01%	10.39%	10.09%				

* The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments.

The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

** Employer's covered payroll for FY2020 is the total covered payroll for the 12 month period of the underlying financial statement.

Notes to the 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 2020 were based on the September 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2019 to September 30, 2020:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	28.7 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

SUPPLEMENTARY INFORMATION

**CITY OF TUSCUMBIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds						Debt Service Funds		Capital Project Funds			Total Other Governmental Funds	
	Seven Cent Gas Tax	Four Cent Gas Tax	Special Funds	Rebuild AL Gas Tax	Municipal Court	Other Special Funds	Total	2009 Warrant	Total	Other Capital Projects	Municipal Capital Projects		Total
ASSETS													
Cash and cash equivalents-restricted	\$ 74,208	\$ 116,783	\$ 38,939	\$ 38,503	\$ 83,862	\$ 32,338	\$ 384,633	\$ 1	\$ 1	\$ 136,269	\$ 135,454	\$ 271,723	\$ 656,357
Receivables (net)							—		—	—		—	—
Total assets	<u>\$ 74,208</u>	<u>\$ 116,783</u>	<u>\$ 38,939</u>	<u>\$ 38,503</u>	<u>\$ 83,862</u>	<u>\$ 32,338</u>	<u>\$ 384,633</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 136,269</u>	<u>\$ 135,454</u>	<u>\$ 271,723</u>	<u>\$ 656,357</u>
LIABILITIES AND FUND BALANCES													
Liabilities													
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 25,495	\$ —	\$ 25,495	\$ 25,495
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 25,495</u>	<u>—</u>	<u>\$ 25,495</u>	<u>25,495</u>
Fund balances													
Non-spendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted for:													
Capital projects							—		—	110,774	135,454	246,228	246,228
Debt service							—	1	1			—	1
Governmental activities	74,208	116,783	38,939	38,503	83,862	32,338	384,633		—			—	384,633
Unassigned							—		—			—	—
Total fund balances	<u>74,208</u>	<u>116,783</u>	<u>38,939</u>	<u>\$ 38,503</u>	<u>\$ 83,862</u>	<u>32,338</u>	<u>\$ 384,633</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 110,774</u>	<u>\$ 135,454</u>	<u>\$ 246,228</u>	<u>630,862</u>
Total liabilities and fund balances	<u>\$ 74,208</u>	<u>\$ 116,783</u>	<u>\$ 38,939</u>	<u>\$ 38,503</u>	<u>\$ 83,862</u>	<u>\$ 32,338</u>	<u>\$ 384,633</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 136,269</u>	<u>\$ 135,454</u>	<u>\$ 271,723</u>	<u>\$ 656,357</u>

CITY OF TUSCUMBIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						Debt Service Funds		Capital Project Funds			Total Other Governmental Funds	
	Seven Cent Gas Tax	Four Cent Gas Tax	Special Funds	Special Corrections	Municipal Court	Other Special Funds	Total	2009 Warrant	Total	Other Capital Projects	Municipal Capital Projects		Total
REVENUES													
Taxes	\$ 36,418	\$ 28,643	\$ —	\$ 38,429	\$ —	\$ —	\$ 103,490	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 103,490
Interest	34	51	20	74		14	193		—	52		52	245
Other					10,265	16,422	26,687		—	108,811	83,486	192,297	218,984
Total revenues	<u>\$ 36,452</u>	<u>\$ 28,694</u>	<u>\$ 20</u>	<u>\$ 38,503</u>	<u>\$ 10,265</u>	<u>\$ 16,436</u>	<u>\$ 130,370</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 108,863</u>	<u>\$ 83,486</u>	<u>\$ 192,349</u>	<u>\$ 322,719</u>
EXPENDITURES													
Current operations:													
General administration	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 48	\$ 48	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 48
Public safety							—		—			—	—
Public works	17,532						17,532		—			—	17,532
Cultural and recreation							—		—			—	—
Capital outlay and improvements					5,116		5,116		—	61,722		61,722	66,838
Debt service:													
Principal payments							—		—			—	—
Interest and fiscal charges							—		—		28,389	28,389	28,389
Total expenditures	<u>\$ 17,532</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,116</u>	<u>\$ 48</u>	<u>\$ 22,696</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 61,722</u>	<u>\$ 28,389</u>	<u>\$ 90,111</u>	<u>\$ 112,807</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 18,920</u>	<u>\$ 28,694</u>	<u>\$ 20</u>	<u>\$ 38,503</u>	<u>\$ 5,149</u>	<u>\$ 16,388</u>	<u>\$ 107,674</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 47,141</u>	<u>\$ 55,097</u>	<u>\$ 102,238</u>	<u>\$ 209,912</u>
OTHER FINANCING SOURCES (USES)													
Proceeds from debt issuance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Transfers in							—		—			—	—
Transfers out			(4,961)			(20,000)	(24,961)		—			—	(24,961)
Total other financing sources (uses)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (4,961)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (20,000)</u>	<u>\$ (24,961)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (24,961)</u>
Net change in fund balances	<u>\$ 18,920</u>	<u>\$ 28,694</u>	<u>\$ (4,941)</u>	<u>\$ 38,503</u>	<u>\$ 5,149</u>	<u>\$ (3,612)</u>	<u>\$ 82,713</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 47,141</u>	<u>\$ 55,097</u>	<u>\$ 102,238</u>	<u>\$ 184,951</u>
Fund balances—beginning	<u>55,288</u>	<u>88,089</u>	<u>43,880</u>	<u>—</u>	<u>78,713</u>	<u>35,950</u>	<u>301,920</u>	<u>1</u>	<u>1</u>	<u>63,633</u>	<u>80,357</u>	<u>143,990</u>	<u>445,911</u>
Fund balances—ending	<u>\$ 74,208</u>	<u>\$ 116,783</u>	<u>\$ 38,939</u>	<u>\$ 38,503</u>	<u>\$ 83,862</u>	<u>\$ 32,338</u>	<u>\$ 384,633</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 110,774</u>	<u>\$ 135,454</u>	<u>\$ 246,228</u>	<u>\$ 630,862</u>