

ANNUAL FINANCIAL REPORT

CITY OF GADSDEN, ALABAMA

For the Year Ended September 30, 2018



Prepared by:

**Finance Department
Lisa Rosser, Finance Director**

CITY OF GADSDEN, ALABAMA

**Annual Financial Report
For the Year Ended September 30, 2018**

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INTRODUCTORY SECTION

PRINCIPAL CITY OFFICIALS

ORGANIZATIONAL CHART



**CITY OF GADSDEN, ALABAMA
PRINCIPAL CITY OFFICIALS**

September 30, 2018

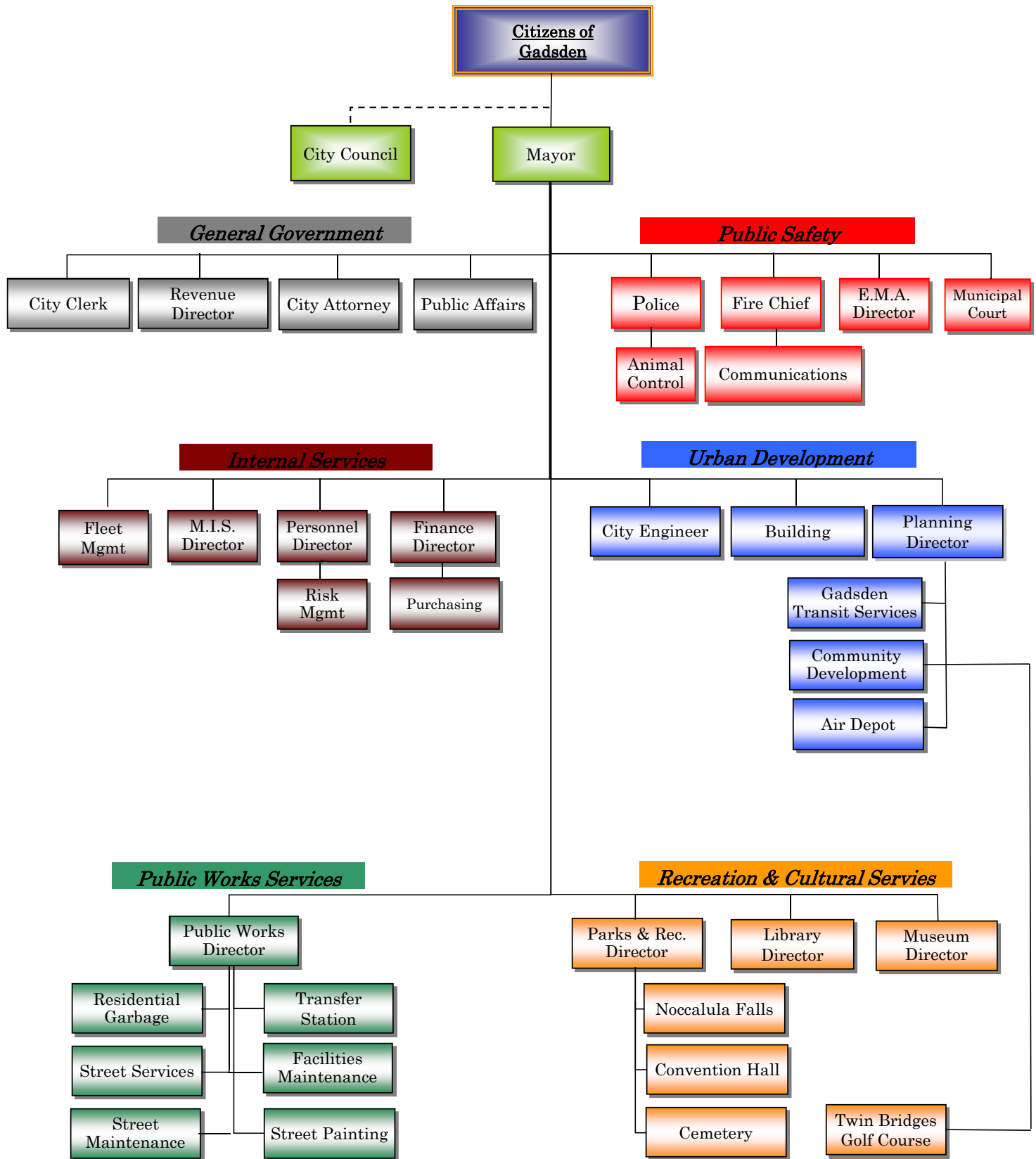
MAYOR

Sherman Guyton

CITY COUNCIL

Dr. Cynthia Toles, District 1 (President)
Deverick Williams, District 2
Thomas Worthy, District 3
Kent Back, District 4
Jason Wilson, District 5
Johnny Cannon, District 6
Ben Reed, District 7 (President Pro Tem)

City of Gadsden Organization Chart



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Members of the City Council
City of Gadsden, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gadsden, Alabama (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Gadsden City Board of Education or the Gadsden Airport Authority, which represent 94%, 102%, and 99% of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gadsden City Board of Education and the Gadsden Airport Authority, is based solely on the report of the other auditors. 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. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gadsden, Alabama, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, schedule of changes in net pension liability, schedule of employer contributions, and schedule of changes in total OPEB liability and related ratios on pages 4-11 and 59-67 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's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major 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. In our opinion, the combining and individual non-major 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019, on our consideration of the City'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 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 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 the City of Gadsden, Alabama's internal control over financial reporting and compliance.

Birmingham, Alabama
March 15, 2019

CITY OF GADSDEN, ALABAMA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

As management of the City of Gadsden, Alabama (the City), we present this narrative overview and analysis designed to assist readers of the City's financial statements for the fiscal year ended September 30, 2018. Our discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, identifies changes in the City's financial position, identifies any material deviations from the financial plan (the approved budget), and identifies individual fund issues or concerns.

Financial Highlights

• Total net position	\$ 18,063,681
• Change in total net position	14,166,603
• Fund balances, governmental funds	49,642,917
• Change in fund balances, governmental funds	10,567,198
• Unassigned fund balance, general fund	16,128,255
• Change in fund balance, general fund	(1,035,187)
• Long-term liabilities	147,768,868
• Net change in long-term liabilities	13,928,674

The assets and deferred outflows of resources of the City of Gadsden exceed its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2018, by \$18,063,681 (*net position*).

As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$49,642,917 an increase of \$10,567,198 from the prior year. Of this amount, \$16,104,378 or approximately 32% of total fund balances are available for spending at the City's discretion (*unassigned fund balances*).

At the end of the current fiscal year, the unassigned fund balance of the General Fund (the City's primary operating fund) was \$16,128,255 or approximately 32% of total General Fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. This statement combines governmental funds' current financial resources with capital assets and long-term obligations. 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 focused on functions, and shows how the City's net position changed during the most recent fiscal year. This is intended to summarize and simplify the user's analysis of revenue and expenses of various governmental services and/or subsidies to various business-type activities. 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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

CITY OF GADSDEN, ALABAMA

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued) For the Year Ended September 30, 2018

Both of the government-wide financial statements distinguish functions of the City of Gadsden that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to typically recover all or a significant portion of the cost of operation, including depreciation, through user fees and charges for services (*business-type activities*).

The governmental activities of the City of Gadsden include general government, public safety, public works, urban development, recreation and cultural services, internal services, and non-departmental. The business-type activities of the City of Gadsden reflect private sector type operations and include air depot operations, garbage services and the City's golf course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the activities of its *component units*: the Gadsden Board of Education, the Gadsden Airport Authority and the Public Building Authority of the City of Gadsden. A component unit is a legally separate organization over which the City can exercise influence and/or may be obligated to provide financial subsidies. The focus of the statements is clearly on the primary government and the presentation allows the readers to address the City's relative relationship with the component units. The Board of Education, the Airport Authority and the Public Building Authority issue complete financial statements, which may be obtained by contacting the entities directly.

Fund Financial Statements

Traditional users of governmental financial statements will find the *Fund Financial Statements* presentation more familiar. The focus is on the City's major funds rather than the City as a whole. 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 of Gadsden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental, proprietary and fiduciary are the three categories of fund types.

Governmental Funds – The City of Gadsden maintains three individual *major governmental funds*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for the general fund, the school ad valorem tax fund, and the capital improvements fund. Data from other governmental funds are combined into a single, *non-major governmental funds* aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

For management control of expenditures, the City of Gadsden adopts an annual appropriated budget for all funds with the exception of the golf course enterprise fund. A budgetary comparison statement has been provided as required supplementary information for the City's major governmental funds to demonstrate compliance with their budgets.

Proprietary Funds – The City of Gadsden maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Gadsden uses enterprise funds to provide for separate information for the Air Depot, Residential Garbage and Golf Course activities, each of which is considered a major fund of the City. An *internal service fund* is used to accumulate and allocate costs of workers' compensation and employee health care internally among the City's various functions. Because the internal service fund primarily benefits governmental rather than business-type activities, it has been included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements – The notes to the financial statements provided in this report convey additional essential information that will magnify the readers' understanding of the data in the government-wide and fund financial statements.

CITY OF GADSDEN, ALABAMA

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended September 30, 2018

Government-Wide Financial Analysis

Condensed Statements of Net Position
As of September 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 65,898,118	\$ 53,348,533	\$ 63,862	\$ (683,600)	\$ 65,961,980	\$ 52,664,933
Capital assets, net of accumulated depreciation	<u>96,882,810</u>	<u>77,784,840</u>	<u>7,154,388</u>	<u>7,780,212</u>	<u>104,037,198</u>	<u>85,565,052</u>
Total Assets	\$ <u>162,780,928</u>	\$ <u>131,133,373</u>	\$ <u>7,218,250</u>	\$ <u>7,096,612</u>	\$ <u>169,999,178</u>	\$ <u>138,229,985</u>
Deferred Outflows of Resources	\$ 8,331,488	\$ 8,997,093	\$ 354,789	\$ 396,019	\$ 8,686,277	\$ 9,393,112
Current and other liabilities	\$ 7,162,681	\$ 15,483,775	\$ 488,103	\$ 879,297	\$ 7,650,784	\$ 16,363,072
Long-term liabilities, net of current portion	<u>142,392,588</u>	<u>117,221,577</u>	<u>5,376,280</u>	<u>6,990,518</u>	<u>147,768,868</u>	<u>124,212,095</u>
Total Liabilities	\$ <u>149,555,269</u>	\$ <u>132,705,352</u>	\$ <u>5,864,383</u>	\$ <u>7,869,815</u>	\$ <u>155,419,652</u>	\$ <u>140,575,167</u>
Deferred Inflows of Resources	\$ 4,948,229	\$ 2,991,150	\$ 253,893	\$ 159,702	\$ 5,202,122	\$ 3,150,852
Net Position						
Net investment in capital assets	\$ 68,699,482	\$ 63,375,285	\$ 6,954,388	\$ 7,480,212	\$ 75,653,870	\$ 70,855,497
Restricted	5,483,822	5,169,139	-	-	5,483,822	5,169,139
Unrestricted	<u>(57,574,386)</u>	<u>(64,110,460)</u>	<u>(5,499,625)</u>	<u>(8,017,098)</u>	<u>(63,074,011)</u>	<u>(72,127,558)</u>
Total Net Position	\$ <u>16,608,918</u>	\$ <u>4,433,964</u>	\$ <u>1,454,763</u>	\$ <u>(536,886)</u>	\$ <u>18,063,681</u>	\$ <u>3,897,078</u>

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's total net position increased by \$14,166,603 in fiscal year 2018. This was attributable to numerous factors including the increase in the sales tax rate by \$0.01 effective November 1, 2017, significant estimate changes in calculations of post-employment benefits, pension, and environmental remediation liabilities.

The restricted portion of the City's net position represents resources that are subject to external restrictions on how they are used.

The remaining unrestricted net position reflects a deficit of \$63,074,011. This deficit is primarily the result of the following:

- The OPEB liability of \$21,186,263.
- The net pension liability of \$52,181,388.

The deficit balance in unrestricted net position of governmental activities is also affected by the fact that the assets of Twin Bridges Golf Course are reflected in business-type activities, while the related debt is expected to be paid from governmental activities and reported as such.

CITY OF GADSDEN, ALABAMA

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended September 30, 2018

Condensed Statements of Activities
For the Years Ended September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenue						
Program Revenue						
Charges for services	\$ 3,406,757	\$ 3,154,104	\$ 3,606,867	\$ 3,231,053	\$ 7,013,624	\$ 6,385,157
Operating grants and contributions	3,035,422	2,544,900	-	-	3,035,422	2,544,900
Cap grants and contributions	418,061	730,505	-	-	418,061	730,505
General Revenue						
Taxes	57,987,576	51,451,553	-	-	57,987,576	51,451,553
Licenses and permits	7,113,955	7,134,787	-	-	7,113,955	7,134,787
Investment earnings	490,320	506,229	-	-	490,320	506,229
Gain on sale of assets	44,293	217,300	-	-	44,293	217,300
Other general revenue	519,643	500,389	-	-	519,643	500,389
Total Revenue	<u>73,016,027</u>	<u>66,239,767</u>	<u>3,606,867</u>	<u>3,231,053</u>	<u>76,622,894</u>	<u>69,470,820</u>
Expenses						
Governmental Activities						
General government	2,360,832	2,381,006	-	-	2,360,832	2,381,006
Internal services	3,515,046	3,262,736	-	-	3,515,046	3,262,736
Public safety	23,016,188	23,700,063	-	-	23,016,188	23,700,063
Recreation and cultural services	8,326,216	8,382,281	-	-	8,326,216	8,382,281
Public works	6,233,529	6,010,652	-	-	6,233,529	6,010,652
Urban development	4,661,677	4,859,328	-	-	4,661,677	4,859,328
Intergovernmental	5,382,911	5,121,805	-	-	5,382,911	5,121,805
Non-departmental	3,652,377	3,510,847	-	-	3,652,377	3,510,847
Interest on long-term debt	2,674,322	1,853,486	-	-	2,674,322	1,853,486
Business-type Activities						
Airport-air depot	-	-	286,087	241,547	286,087	241,547
Garbage	-	-	1,151,811	5,436,064	1,151,811	5,436,064
Golf course	-	-	1,195,295	1,241,135	1,195,295	1,241,135
Total Expenses	<u>59,823,098</u>	<u>59,082,204</u>	<u>2,633,193</u>	<u>6,918,746</u>	<u>62,456,291</u>	<u>66,000,950</u>
Change in Net Position Before Transfers and Special Items	13,192,929	7,157,563	973,674	(3,687,693)	14,166,603	3,469,870
Transfers	<u>(1,017,975)</u>	<u>(1,007,685)</u>	<u>1,017,975</u>	<u>1,007,685</u>	-	-
Change in Net Position	<u>\$ 12,174,954</u>	<u>\$ 6,149,878</u>	<u>\$ 1,991,649</u>	<u>\$ (2,680,008)</u>	<u>\$ 14,166,603</u>	<u>\$ 3,469,870</u>

Governmental Activities – Governmental activities increased the City's net position by \$12,174,954. Key elements of this increase are as follows: revenues exceeding governmental expenses, outside of transfers. This was driven, in part, by an increase in sales tax revenue resulting from a \$0.01 sales tax increase and close monitoring of budgeted expenses.

Business-Type Activities – Business-type activities increased the City's net position by \$1,991,649. Key elements of this increase are as follows: revenues exceeding expenses by \$973,674, offset by transfers of approximately \$1 million. The large increase is attributable to a change in estimate charges related to the landfill closure liability of over \$1.7 million.

CITY OF GADSDEN, ALABAMA

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended September 30, 2018**

Fund Financial Analysis

Governmental Funds – The *General Fund* is the chief operating fund of the City. The total general fund balance decreased by \$1,035,187 in 2018 to \$19,617,450. At the end of the current fiscal year, the *unassigned fund balance* was \$16,128,255, a decrease of \$1,462,828.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. This is very useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance represents approximately 32% of total general fund expenditures, while total fund balance represents 39% of the total general fund expenditures.

**General Fund - Fund Balances
As of September 30, 2018 and 2017**

	Fund Balance		Increase (Decrease)
	2018	2017	
Nonspendable	\$ 266,661	\$ 266,482	\$ 179
Committed	3,222,534	2,795,072	427,462
Unassigned	<u>16,128,255</u>	<u>17,591,083</u>	<u>(1,462,828)</u>
Total Fund Balance	<u>\$ 19,617,450</u>	<u>\$ 20,652,637</u>	<u>\$ (1,035,187)</u>

The decrease in unassigned general fund balance was due, in large part, to current year increases in capital outlays by approximately \$1.3 million. Current year capital outlays included expenditures for the Moragne Park project of \$1.2 million.

Enterprise Funds – The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The combined net position of the enterprise funds were \$1,454,763, an increase of \$1,991,649. The following table compares enterprise funds' net position with the previous year.

**Enterprise Funds - Net Position
As of September 30, 2018 and 2017**

	Net Position		Increase (Decrease)
	2018	2017	
Airport	\$ 902,018	\$ 814,286	\$ 87,732
Garbage	(2,751,249)	(4,833,947)	2,082,698
Golf course	3,251,623	3,515,223	(263,600)
Adjustment to reflect consolidation of Internal Service Fund	<u>52,371</u>	<u>(32,448)</u>	<u>84,819</u>
Total Net Position	<u>\$ 1,454,763</u>	<u>\$ (536,886)</u>	<u>\$ 1,991,649</u>

Internal Service Fund – As previously mentioned, the City utilizes an internal service fund to accumulate and allocate the costs of workers' compensation and employee health care internally among the City's various functions. At the end of the current fiscal year, the net position of the internal service fund was \$1,856,990, an increase of \$1,707,963.

CITY OF GADSDEN, ALABAMA

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended September 30, 2018

Internal Service Fund - Net Position
As of September 30, 2018 and 2017

	Net Position		Increase (Decrease)
	2018	2017	
Unrestricted	\$ 1,856,990	\$ 149,027	\$ 1,707,963
Total Net Position	\$ 1,856,990	\$ 149,027	\$ 1,707,963

Budgetary Highlights

Differences between the general fund original budget and the final amended budget totaled \$2,562,748. Actual revenue exceeded final budgeted amounts by \$805,892 largely due to higher than expected charges for services. Certain budgeted expenses were lower than expected due to spending controls implemented by the administration.

General Budget Fund
For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance From Final Budget
Revenue	\$ 50,267,145	\$ 50,268,145	\$ 51,074,037	\$ 805,892
Expenditures	52,261,229	54,824,977	50,669,498	4,155,479
Other sources (uses)	(1,359,989)	(1,359,989)	(1,439,726)	(79,737)
Total	\$ (3,354,073)	\$ (5,916,821)	\$ (1,035,187)	\$ 4,881,634

Capital Asset and Debt Administration

Capital Assets
As of September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,930,992	\$ 20,884,373	\$ 2,976,164	\$ 2,976,164	\$ 23,907,156	\$ 23,860,537
Buildings	16,438,036	14,114,816	1,430,421	1,584,560	17,868,457	15,699,376
Improvements other than buildings	14,577,905	14,615,694	2,119,860	2,369,093	16,697,765	16,984,787
Equipment	9,366,793	8,198,014	627,941	850,395	9,994,734	9,048,409
Infrastructure	20,387,050	18,953,993	-	-	20,387,050	18,953,993
Construction in progress	15,182,034	1,017,950	-	-	15,182,034	1,017,950
Net Total Capital Assets	\$ 96,882,810	\$ 77,784,840	\$ 7,154,386	\$ 7,780,212	\$ 104,037,196	\$ 85,565,052

This investment in capital assets includes land, buildings, improvements other than buildings, system improvements (drainage and streets), machinery and equipment, park facilities, roads, highways, and bridges.

CITY OF GADSDEN, ALABAMA

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended September 30, 2018**

Long-term Liabilities

	Outstanding Debt & Long-term Liabilities As of September 30, 2018 and 2017	
	2018	2017
Governmental		
General Obligation Warrants	\$ 63,714,636	\$ 45,278,726
HUD Section 108 Loans	600,000	675,000
Capital leases	1,320,044	912,063
Outstanding debt	65,634,680	46,865,789
Compensated absences	3,112,701	3,074,429
Claims and judgments	2,923,344	3,561,184
Net pension liability	49,775,737	51,389,404
OPEB liability	20,946,126	21,519,192
	<u>142,392,588</u>	<u>126,409,998</u>
Business-Type		
General Obligation Warrants	200,000	300,000
Compensated absences	120,126	111,323
Landfill closure and post closure	2,410,366	4,173,874
Net pension liability	2,405,651	2,573,147
OPEB liability	240,137	271,852
	<u>5,376,280</u>	<u>7,430,196</u>
Total Long-term Liabilities	<u>\$ 147,768,868</u>	<u>\$ 133,840,194</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation.

Economic Factors

The City relies primarily on taxes (sales and ad valorem) and fees (business licenses and occupational licenses) for their governmental activities. The primary source of revenue is sales taxes.

In the business-type and certain governmental activities (airport, garbage services, golf course, and recreational programs, etc.) the user pays a related fee or charge associated with the service.

The level of taxes, fees and charges for services have a direct bearing on the City's ability to (a) annex additional land into its corporate limits and (b) encourage development (office, retail, residential and industrial) to choose to be located in the jurisdiction. The City places significant emphasis on encouraging both annexation and economic development.

Major Financial Events to Expect Next Year

The City expects to complete two major construction projects during fiscal year 2019. The site work for the commercial development along the Coosa River, and adjacent to The Venue at Coosa Landing, should be completed, which will allow for the opening of the restaurant, Buffalo Wild Wings. This site will also provide space for the construction of one small restaurant to the south of Buffalo Wild Wings. This new development will provide new lease revenue, as well as the related taxes and fees. A final component of this project will be construction of a new access road connecting The Venue and the above-referenced commercial development with Coosa Landing Boat Launch and Bait Shop, which should occur in year 2020.

CITY OF GADSDEN, ALABAMA

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued) For the Year Ended September 30, 2018

The second major project now underway is the construction of the East Gadsden Community Center. This \$5 million project provides a state-of-the-art replacement of the existing facility, which has both structural and cosmetic issues. The new Center will be an anchor for the community, setting the standard for future recreation centers.

With the additional 1% sales tax revenue, the City expects to make substantial investments in existing infrastructure throughout the City, which should reduce some of the existing maintenance costs, thereby relieving pressure on the General Fund Budget.

Financial Information Contact

The City of Gadsden's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances. If you have questions about the report or need additional financial information, contact the Finance Department at 90 Broad Street, Gadsden, Alabama 35902.

CITY OF GADSDEN, ALABAMA

STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Units		
	Governmental Activities	Business Type Activities	Total	Gadsden Board of Education	Gadsden Airport Authority	Public Building Authority of the City of Gadsden
Assets						
Current Assets						
Pooled cash and investments	\$ 45,950,713	\$ 91,289	\$ 46,042,002	\$ 13,878,296	\$ 88,997	\$ 466,177
Receivables, net of allowances for uncollectibles	9,593,940	611,965	10,205,905	8,888,516	334,272	-
Internal balances	669,848	(669,848)	-	-	-	-
Due from primary government	-	-	-	-	2,580,000	-
Inventories	266,225	30,456	296,681	130,209	-	-
Prepays and other	2,562	-	2,562	14,269	5,342	-
Restricted assets	24,626	-	24,626	-	105,748	-
Due from component units	9,390,204	-	9,390,204	-	-	-
Lease receivable	-	-	-	-	-	5,692,817
Capital Assets, Net of Accumulated Depreciation						
Land	20,930,992	2,976,164	23,907,156	6,023,236	595,244	-
Buildings	16,438,036	1,430,422	17,868,458	35,650,885	47,328	-
Improvements	14,577,905	2,119,860	16,697,765	17,378,350	4,910,096	-
Equipment	9,366,793	627,942	9,994,735	541,821	15,069	-
Infrastructure	20,387,050	-	20,387,050	-	1,291,749	-
Construction in progress	15,182,034	-	15,182,034	-	-	-
Total Assets	\$ 162,780,928	\$ 7,218,250	\$ 169,999,178	\$ 82,505,582	\$ 9,973,845	\$ 6,158,994
Deferred Outflows of Resources						
Deferred charges on refunding	\$ 990,472	\$ -	\$ 990,472	\$ 210,122	\$ -	\$ -
Pension related	7,341,016	354,789	7,695,805	6,380,521	-	-
OPEB related	-	-	-	1,218,639	-	-
Total Deferred Outflows of Resources	\$ 8,331,488	\$ 354,789	\$ 8,686,277	\$ 7,809,282	\$ -	\$ -
Liabilities						
Current Liabilities						
Accounts payable and other current liabilities	\$ 3,079,085	\$ 451,826	\$ 3,530,911	\$ 4,173,293	\$ 2,441	\$ 58,057
Accrued payroll and related liabilities	787,369	34,397	821,766	-	-	-
Due to component units	3,296,227	-	3,296,227	-	-	-
Unearned revenue	-	1,880	1,880	177,998	-	-
Noncurrent Liabilities						
Due within one year	10,578,862	443,784	11,022,646	1,206,492	2,580,000	410,842
Due in more than one year	131,813,726	4,932,496	136,746,222	104,070,982	-	5,113,303
Total Liabilities	\$ 149,555,269	\$ 5,864,383	\$ 155,419,652	\$ 109,628,765	\$ 2,582,441	\$ 5,582,202
Deferred Inflows of Resources						
Unavailable revenue - property taxes	\$ -	\$ -	\$ -	\$ 8,151,096	\$ -	\$ -
Pension related	3,406,916	164,655	3,571,571	5,056,000	-	-
OPEB related	1,541,313	89,238	1,630,551	6,137,894	-	-
Total Deferred Inflows of Resources	\$ 4,948,229	\$ 253,893	\$ 5,202,122	\$ 19,344,990	\$ -	\$ -
Net Position						
Net investment in capital assets	\$ 68,699,482	\$ 6,954,388	\$ 75,653,870	\$ 32,317,316	\$ 6,859,486	\$ -
Restricted						
Debt service	23,757	-	23,757	-	100,548	164,443
Economic development	794,257	-	794,257	-	-	-
Public safety	883,131	-	883,131	-	-	-
Recreation and cultural services						
Expendable	183,785	-	183,785	-	-	-
Nonexpendable	63,404	-	63,404	-	-	-
Other purposes	3,535,488	-	3,535,488	6,656,757	-	-
Unrestricted	(57,574,386)	(5,499,625)	(63,074,011)	(77,632,964)	431,370	412,349
Total Net Position	\$ 16,608,918	\$ 1,454,763	\$ 18,063,681	\$ (38,658,891)	\$ 7,391,404	\$ 576,792

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Program Revenue				Net Revenue (Expense) and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Gadsden Board of Education	Gadsden Airport Authority	Public Building Authority of the City of Gadsden	
Primary Government											
Governmental activities											
General government	\$ (2,360,832)	\$ 88,619	\$ -	\$ -	\$ (2,272,213)	\$ -	\$ (2,272,213)	\$ -	\$ -	\$ -	\$ -
Internal services	(3,515,046)	-	-	-	(3,515,046)	-	(3,515,046)	-	-	-	-
Public safety	(23,016,188)	892,015	182,704	14,052	(21,927,417)	-	(21,927,417)	-	-	-	-
Recreation and cultural services	(8,326,216)	2,081,120	207,649	-	(6,037,447)	-	(6,037,447)	-	-	-	-
Public works services	(6,233,529)	-	564,298	-	(5,669,231)	-	(5,669,231)	-	-	-	-
Urban development	(4,661,677)	345,003	2,080,771	404,009	(1,831,894)	-	(1,831,894)	-	-	-	-
Intergovernmental	(5,382,911)	-	-	-	(5,382,911)	-	(5,382,911)	-	-	-	-
Non-departmental	(3,652,377)	-	-	-	(3,652,377)	-	(3,652,377)	-	-	-	-
Interest on long-term debt	(2,674,322)	-	-	-	(2,674,322)	-	(2,674,322)	-	-	-	-
Total Governmental Activities	<u>(59,823,098)</u>	<u>3,406,757</u>	<u>3,035,422</u>	<u>418,061</u>	<u>(52,962,858)</u>	<u>-</u>	<u>(52,962,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities											
Air depot	(286,087)	373,819	-	-	-	87,732	87,732	-	-	-	-
Residential garbage	(1,151,811)	2,618,104	-	-	-	1,466,293	1,466,293	-	-	-	-
Golf course	(1,195,295)	614,944	-	-	-	(580,351)	(580,351)	-	-	-	-
Total Business-Type Activities	<u>(2,633,193)</u>	<u>3,606,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>973,674</u>	<u>973,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ (62,456,291)</u>	<u>\$ 7,013,624</u>	<u>\$ 3,035,422</u>	<u>\$ 418,061</u>	<u>\$ (52,962,858)</u>	<u>\$ 973,674</u>	<u>\$ (51,989,184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units											
Board of Education	<u>\$ (55,462,440)</u>	<u>\$ 4,861,167</u>	<u>\$ 34,877,045</u>	<u>\$ 1,251,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,472,373)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Airport Authority	<u>\$ (647,533)</u>	<u>\$ 27,025</u>	<u>\$ 315,500</u>	<u>\$ 115,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (189,103)</u>	<u>\$ -</u>	<u>\$ -</u>
Public Building Authority	<u>\$ (241,753)</u>	<u>\$ 221,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,389)</u>	<u>\$ -</u>
General Revenue											
Sales and use tax					\$ 34,717,605	\$ -	\$ 34,717,605	\$ 1,679,688	\$ -	\$ -	\$ -
Occupational license fee					15,321,139	-	15,321,139	-	-	-	-
Licenses and permits					7,113,955	-	7,113,955	-	-	-	-
Property tax					5,185,033	-	5,185,033	8,070,357	-	-	-
Lodging tax					1,214,952	-	1,214,952	-	-	-	-
Gasoline tax					602,597	-	602,597	-	-	-	-
Tobacco tax					370,669	-	370,669	-	-	-	-
Beer tax					237,143	-	237,143	67,053	-	-	-
Wine and liquor tax					214,427	-	214,427	-	-	-	-
Financial institution excise tax					124,011	-	124,011	-	-	-	-
Gain on sale of assets					44,293	-	44,293	-	-	-	-
Unrestricted investment earnings					490,320	-	490,320	101,274	8,433	-	-
Other general revenue					519,643	-	519,643	2,375,665	-	-	-
Transfers					(1,017,975)	1,017,975	-	-	-	-	-
Total General Revenue and Transfers					<u>65,137,812</u>	<u>1,017,975</u>	<u>66,155,787</u>	<u>12,294,037</u>	<u>8,433</u>	<u>-</u>	<u>-</u>
Change in Net Position					<u>12,174,954</u>	<u>1,991,649</u>	<u>14,166,603</u>	<u>(2,178,336)</u>	<u>(180,670)</u>	<u>(20,389)</u>	
Net Position, Beginning of Year, As Originally Stated					4,433,964	(536,886)	3,897,078	3,804,241	7,572,074	597,181	
Prior Period Adjustment					-	-	-	(40,284,796)	-	-	
Net Position, Beginning of Year, As Restated					<u>4,433,964</u>	<u>(536,886)</u>	<u>3,897,078</u>	<u>(36,480,555)</u>	<u>7,572,074</u>	<u>597,181</u>	
Net Position, End of Year					<u>\$ 16,608,918</u>	<u>\$ 1,454,763</u>	<u>\$ 18,063,681</u>	<u>\$ (38,658,891)</u>	<u>\$ 7,391,404</u>	<u>\$ 576,792</u>	

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018

	General Fund	School Ad Valorem Tax Fund	Capital Improvements Fund	2017-B Capital Projects Fund	Ad Valorem Fire Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 17,203,668	\$ 1,188,653	\$ 2,388,836	\$ 7,605,466	\$ 771,590	\$ 12,015,731	\$ 41,173,944
Investments	-	-	-	-	-	166,924	166,924
Receivables, net of allowances for uncollectibles							
Taxes	5,505,167	1,341,069	557,939	-	1,225,719	653,784	9,283,678
Intergovernmental	63,132	-	-	-	-	214,237	277,369
Other	436	-	-	-	-	1,540	1,976
Due from other funds	824,224	-	-	-	-	-	824,224
Due from component units	-	-	9,390,204	-	-	-	9,390,204
Inventories	266,225	-	-	-	-	-	266,225
Restricted assets	-	-	-	-	-	24,626	24,626
Total Assets	\$ 23,862,852	\$ 2,529,722	\$ 12,336,979	\$ 7,605,466	\$ 1,997,309	\$ 13,076,842	\$ 61,409,170
Liabilities, Deferred Inflows of Resources and Fund Balances							
Accounts payable and other liabilities	\$ 1,117,309	\$ -	\$ 32,147	\$ 1,112,120	\$ 18,858	\$ 423,106	\$ 2,703,540
Accrued payroll and related liabilities	760,733	-	-	-	-	23,381	784,114
Due to other funds	-	-	-	-	-	102,005	102,005
Due to component units	-	705,415	2,590,812	-	-	-	3,296,227
Total Liabilities	<u>1,878,042</u>	<u>705,415</u>	<u>2,622,959</u>	<u>1,112,120</u>	<u>18,858</u>	<u>548,492</u>	<u>6,885,886</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	2,367,360	1,299,030	-	-	1,213,977	-	4,880,367
Fund balances							
Non-spendable	266,661	-	5,881,010	-	-	-	6,147,671
Restricted	-	525,277	-	-	764,270	4,217,948	5,507,495
Committed	3,222,534	-	3,833,010	6,493,346	204	8,334,279	21,883,373
Unassigned	16,128,255	-	-	-	-	(23,877)	16,104,378
Total Fund Balance	<u>19,617,450</u>	<u>525,277</u>	<u>9,714,020</u>	<u>6,493,346</u>	<u>764,474</u>	<u>12,528,350</u>	<u>49,642,917</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,862,852	\$ 2,529,722	\$ 12,336,979	\$ 7,605,466	\$ 1,997,309	\$ 13,076,842	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not expendable, available financial resources and, therefore, are not reported in the funds.							\$ 96,882,810
Internal service funds are used by management to charge the costs of workers' compensation and employee health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.							1,804,619
Certain revenue reported in the statement of activities is not available to pay the liabilities of the current year and, therefore, are deferred in the funds.							4,880,367
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.							(136,601,795)
Net Position of Governmental Activities							<u>\$ 16,608,918</u>

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	General Fund	School Ad Valorem Tax Fund	Capital Improvements Fund	2017-B Capital Projects Fund	Ad Valorem Fire Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenue							
Taxes	\$ 40,429,776	\$ 1,133,729	\$ 6,989,061	\$ -	\$ 1,095,724	\$ 8,331,828	\$ 57,980,118
Licenses and permits	7,113,955	-	-	-	-	-	7,113,955
Intergovernmental	387,291	-	-	-	-	3,164,006	3,551,297
Charges for services	2,330,576	-	-	-	-	165,742	2,496,318
Fines and forfeitures	539,945	-	-	-	-	98,791	638,736
Other revenue	272,494	-	488,416	450	7,657	414,835	1,183,852
Total Revenue	51,074,037	1,133,729	7,477,477	450	1,103,381	12,175,202	72,964,276
Expenditures							
Current							
General government	2,624,620	-	-	-	-	-	2,624,620
Internal services	3,305,877	-	-	-	-	200,000	3,505,877
Public safety	20,752,963	-	-	-	647,097	446,797	21,846,857
Recreation and cultural services	6,729,729	-	-	-	-	352,994	7,082,723
Public works services	5,878,115	-	-	-	-	-	5,878,115
Urban development	2,060,426	-	-	-	-	5,037	2,065,463
Non-departmental	3,431,097	-	-	-	-	-	3,431,097
Intergovernmental	2,737,668	1,091,690	-	-	-	1,553,553	5,382,911
Debt service							
Principal retirement	-	-	-	-	-	5,349,289	5,349,289
Interest and fiscal charges	-	-	-	-	-	2,272,308	2,272,308
Issuance costs	-	-	-	330,402	-	-	330,402
Capital outlays	3,149,003	-	3,332,905	16,507,797	99,212	2,911,502	26,000,419
Total Expenditures	50,669,498	1,091,690	3,332,905	16,838,199	746,309	13,091,480	85,770,081
Excess (Deficiency) of Revenue Over/(Under) Expenditures	404,539	42,039	4,144,572	(16,837,749)	357,072	(916,278)	(12,805,805)
Other Financing Sources/(Uses)							
Capital lease	-	-	1,004,555	-	-	-	1,004,555
Proceeds from warrants	-	-	-	20,615,000	-	-	20,615,000
Premiums on warrants issued	-	-	-	2,716,095	-	-	2,716,095
Proceeds from sale of assets	15,673	-	-	-	-	39,655	55,328
Transfers	(1,455,399)	-	(4,868,035)	-	(340,666)	5,646,125	(1,017,975)
Total Other Financing Sources (Uses)	(1,439,726)	-	(3,863,480)	23,331,095	(340,666)	5,685,780	23,373,003
Net Change in Fund Balances	(1,035,187)	42,039	281,092	6,493,346	16,406	4,769,502	10,567,198
Fund Balance, Beginning of Year	20,652,637	483,238	9,432,928	-	748,068	7,758,848	39,075,719
Fund Balance, End of Year	\$ 19,617,450	\$ 525,277	\$ 9,714,020	\$ 6,493,346	\$ 764,474	\$ 12,528,350	\$ 49,642,917

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
September 30, 2018

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

Net change in fund balance - total governmental funds	\$ 10,567,198
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.	19,109,005
In the statement of activities, a gain or loss is reported for each disposal of capital assets	(11,035)
Revenue is recognized in the governmental funds when they are both measurable and available to pay the liabilities of the current period. Revenues are recognized in the statement of activities when they are earned.	7,457
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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(18,866,459)
Some expenses reported in the statement of activities differ from amounts reported as expenditures in governmental funds.	(254,356)
An internal service fund is used by management to charge the costs of workers' compensation and employee health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported as governmental activities in the statement of activities.	<u>1,623,144</u>
Change in Net Position of Governmental Activities	<u><u>\$ 12,174,954</u></u>

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Air Depot	Garbage	Golf	Totals	Activities - Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	\$ 89,969	\$ 620	\$ 700	\$ 91,289	\$ 4,609,845
Receivables, net of allowances for uncollectibles					
Accounts	-	611,965	-	611,965	30,917
Inventories	-	-	30,456	30,456	-
Prepays	-	-	-	-	2,562
Due from other funds	-	421,075	-	421,075	-
Total Current Assets	<u>89,969</u>	<u>1,033,660</u>	<u>31,156</u>	<u>1,154,785</u>	<u>4,643,324</u>
Capital assets, net of accumulated depreciation					
Land	111,470	267,134	2,597,560	2,976,164	-
Buildings	902,436	52,437	475,549	1,430,422	-
Improvements	8,386	216,678	1,894,796	2,119,860	-
Equipment	1,846	575,377	50,719	627,942	-
Total Assets	<u>\$ 1,114,107</u>	<u>\$ 2,145,286</u>	<u>\$ 5,049,780</u>	<u>\$ 8,309,173</u>	<u>\$ 4,643,324</u>
Deferred Outflows of Resources					
Pension related	<u>\$ -</u>	<u>\$ 279,170</u>	<u>\$ 75,619</u>	<u>\$ 354,789</u>	<u>\$ 43,144</u>
Liabilities					
Current Liabilities					
Accounts payable and other current liabilities	10,209	417,412	24,205	451,826	1,494
Accrued payroll and related liabilities	-	24,433	9,964	34,397	3,255
Compensated absences payable	-	91,801	28,325	120,126	8,274
Claims and adjustments payable	-	-	-	-	2,503,893
Accrued landfill closure and post closure	-	47,200	-	47,200	-
Current portion of general obligation warrants	100,000	-	-	100,000	-
Unearned revenue	1,880	-	-	1,880	-
Due to other funds	-	-	1,143,294	1,143,294	-
Total Current Liabilities	<u>112,089</u>	<u>580,846</u>	<u>1,205,788</u>	<u>1,898,723</u>	<u>2,516,916</u>
Accrued landfill closure and post closure	-	2,363,166	-	2,363,166	-
OPEB liability	-	147,164	92,973	240,137	-
Net pension liability	-	1,892,914	512,737	2,405,651	292,539
General obligation warrants payable	100,000	-	-	100,000	-
Total Liabilities	<u>212,089</u>	<u>4,984,090</u>	<u>1,811,498</u>	<u>7,007,677</u>	<u>2,809,455</u>
Deferred Inflows of Resources					
Pension related	-	129,561	35,094	164,655	20,023
OPEB related	-	62,054	27,184	89,238	-
Total Deferred Inflows of Resources	<u>-</u>	<u>191,615</u>	<u>62,278</u>	<u>253,893</u>	<u>20,023</u>
Net Position					
Net investment in capital assets	824,138	1,111,626	5,018,624	6,954,388	-
Unrestricted	77,880	(3,862,875)	(1,767,001)	(5,551,996)	1,856,990
Total Net Position	<u>\$ 902,018</u>	<u>\$ (2,751,249)</u>	<u>\$ 3,251,623</u>	<u>\$ 1,402,392</u>	<u>\$ 1,856,990</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>\$ 52,371</u>	
Net Position of Business-Type Activities				<u>\$ 1,454,763</u>	

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Air Depot	Garbage	Golf	Totals	
Operating Revenue					
Charges for sales and services	\$ 373,819	\$ 2,618,104	\$ 614,944	\$ 3,606,867	\$ 8,127,571
Other operating revenue	-	-	-	-	923,987
Total Operating Revenue	<u>373,819</u>	<u>2,618,104</u>	<u>614,944</u>	<u>3,606,867</u>	<u>9,051,558</u>
Operating Expenses					
Cost of sales and services	173,272	990,346	911,805	2,075,423	7,343,595
Depreciation	<u>96,052</u>	<u>220,060</u>	<u>309,714</u>	<u>625,826</u>	-
Total Operating Expenses	<u>269,324</u>	<u>1,210,406</u>	<u>1,221,519</u>	<u>2,701,249</u>	<u>7,343,595</u>
Operating income (loss)	<u>104,495</u>	<u>1,407,698</u>	<u>(606,575)</u>	<u>905,618</u>	<u>1,707,963</u>
Nonoperating Revenue (Expenses)					
Interest expense	<u>(16,763)</u>	-	-	<u>(16,763)</u>	-
Total Nonoperating Revenue (Expenses)	<u>(16,763)</u>	-	-	<u>(16,763)</u>	-
Net Income (Loss) Before Contributions Transfers and Special Items	<u>87,732</u>	<u>1,407,698</u>	<u>(606,575)</u>	<u>888,855</u>	<u>1,707,963</u>
Other Financing Sources (Uses)					
Operating transfers in	-	<u>675,000</u>	<u>342,975</u>	<u>1,017,975</u>	-
Total Other Financing Sources (Uses)	-	<u>675,000</u>	<u>342,975</u>	<u>1,017,975</u>	-
Change in Net Position	87,732	2,082,698	(263,600)	1,906,830	1,707,963
Net Position - Beginning of Year	<u>814,286</u>	<u>(4,833,947)</u>	<u>3,515,223</u>	<u>(504,438)</u>	<u>149,027</u>
Net Position - End of Year	<u>\$ 902,018</u>	<u>\$ (2,751,249)</u>	<u>\$ 3,251,623</u>	<u>\$ 1,402,392</u>	<u>\$ 1,856,990</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>\$ 84,819</u>	
Change In Net Position of Business-Type Activities				<u>\$ 1,991,649</u>	

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	<u>Air Depot</u>	<u>Garbage</u>	<u>Golf</u>	<u>Totals</u>	Activities - Internal Service Fund
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 373,969	\$ 2,509,193	\$ 614,944	\$ 3,498,106	\$ 9,053,802
Payments to suppliers	(175,196)	(2,230,836)	(551,685)	(2,957,717)	(7,554,048)
Payments to employees	-	(953,357)	(406,235)	(1,359,592)	(113,580)
Net Cash Provided (Used) by Operating Activities	<u>198,773</u>	<u>(675,000)</u>	<u>(342,976)</u>	<u>(819,203)</u>	<u>1,386,174</u>
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	-	675,000	342,976	1,017,976	-
Net Cash Flows Provided by Noncapital Financing Activities	<u>-</u>	<u>675,000</u>	<u>342,976</u>	<u>1,017,976</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Principal paid on capital debt	(100,000)	-	-	(100,000)	-
Interest paid on capital debt	(16,763)	-	-	(16,763)	-
Net Cash Flows (Used) by Capital and Related Financing Activities	<u>(116,763)</u>	<u>-</u>	<u>-</u>	<u>(116,763)</u>	<u>-</u>
Net Increase (Decrease) In Cash and Cash Equivalents	82,010	-	-	82,010	1,386,174
Cash and Cash Equivalents, Beginning of Year	<u>7,959</u>	<u>620</u>	<u>700</u>	<u>9,279</u>	<u>3,223,671</u>
Cash and Cash Equivalents, End of Year	<u>\$ 89,969</u>	<u>\$ 620</u>	<u>\$ 700</u>	<u>\$ 91,289</u>	<u>\$ 4,609,845</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ 104,495	\$ 1,407,698	\$ (606,576)	\$ 905,617	\$ 1,707,962
Depreciation	96,052	220,060	309,714	625,826	-
Change in receivables	150	(108,911)	-	(108,761)	2,243
Change in due from other funds	-	(421,075)	-	(421,075)	-
Change in prepaids	-	-	-	-	(179)
Change in inventories	-	-	(4,635)	(4,635)	-
Change in accounts payable and other current liabilities	(1,924)	46,305	5,833	50,214	71
Change in due to other funds	-	(10,795)	(35,368)	(46,163)	-
Change in accrued payroll and related liabilities	-	(1,167)	(565)	(1,732)	104
Change in accrued compensated absences	-	5,444	3,360	8,804	152
Change in accrued landfill closure and post closure	-	(1,763,508)	-	(1,763,508)	-
Change in OPEB liability	-	(22,117)	(9,598)	(31,715)	-
Change in net pension liability	-	(131,447)	(36,049)	(167,496)	(8,197)
Change in claims payable	-	-	-	-	(328,293)
Change in deferred outflows	-	32,388	8,842	41,230	3,140
Change in deferred inflows	-	72,125	22,066	94,191	9,171
Net Cash Provided (Used) by Operating Activities	<u>\$ 198,773</u>	<u>\$ (675,000)</u>	<u>\$ (342,976)</u>	<u>\$ (819,203)</u>	<u>\$ 1,386,174</u>

See accompanying notes to financial statements.

CITY OF GADSDEN, ALABAMA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2018

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The City of Gadsden (the City) is a municipal corporation which was incorporated on March 19, 1871. The City operates under the Mayor-Council form of government as provided by Act. No. 85-926 of the Alabama Legislature, now codified as Sections 11-43B-1 et seq. of the Code of Alabama 1975 (The Mayor-Council Act), and is comprised of a Mayor and a seven-member council (elected at large).

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes the ultimate authority on GAAP for state and local governmental units. The more significant of the City's accounting policies are described below.

As required by GAAP, these financial statements present the City and its component units, legally, separate entities for which the City is considered to be financially accountable. The City has no blended component units. On the other hand, the City does have three discretely presented component units. The component units have September 30 year-ends.

- Gadsden Board of Education – The members of the Board of Education are appointed by the City and the Board of Education as an agency of the State of Alabama under the general supervision and financial jurisdiction of the Alabama State Department of Education. The City is obligated in some manner for the debt of the Board of Education and the City levies a property tax specifically for operations of the Board of Education. Complete financial statements for the Board of Education may be obtained at the following administrative office: Gadsden Board of Education, 1026 Chestnut Street, P.O. Box 184 Gadsden, Alabama 35902.

The Board of Education's financial statements include certain long-term debt and related debt service expenditures of the City. In addition, the Board of Education's financial statements include certain property tax revenue, receivables and deferred amounts of the City. No eliminations have been made to these amounts.

- Gadsden Airport Authority – The Airport Authority's board members are appointed by the City and the City is obligated in some manner for the debt of the Airport Authority. Complete financial statements for the Airport Authority may be obtained at the following administrative office: Gadsden Airport Authority, P. O. Box 961 Gadsden, Alabama 35902.
- Public Building Authority of the City of Gadsden – The Public Building Authority's board members are appointed by the City and the City is obligated in some manner for the debt of the Public Building Authority. Compiled financial statements may be obtained at the following address: Public Building Authority of the City of Gadsden, 90 Broad Street Gadsden, Alabama 35901.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued) For the Year Ended September 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

- Related Organizations – The City is also responsible for appointing a voting majority of the boards of other organizations, but the City's financial accountability for these organizations does not extend beyond making the appointments, or the financial resources and obligations of these organizations are immaterial. The City appointed a voting majority of the following boards: Gadsden Water Works and Sewer Board, Greater Gadsden Housing Authority, Gadsden Industrial Development Board, the Etowah-Gadsden Industrial Development Authority, the Forrest Cemetery Foundation, and others. These organizations are related organizations, which have not been included in the reporting entity. During the year, the City made appropriations to the Etowah Gadsden Industrial Development Board and the Gadsden Commercial Development Authority in the amounts of \$372,000 and \$140,000 respectively. The City received a payment in lieu of taxes from the Greater Gadsden Housing Authority in the amount of \$88,619.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. Government-wide financial statements focus on the City as a whole, and are designed to allow the users of financial reports to assess the City's *operational accountability*. The fund financial statements focus on major individual funds, and are designed to demonstrate the City's *fiscal accountability*. *Operational accountability* refers to the City's responsibility to report the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet those objectives for the foreseeable future. *Fiscal accountability* is the City's responsibility to demonstrate that its actions in the current period have complied with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or year).

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. In addition, the primary government is reported separately from component units.

The government-wide statement of activities reflects both the gross and net costs per functional category (i.e. general government, public safety, etc.) by offsetting direct expenses with program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. Program revenue includes: 1) charges to customers or others who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

The fund financial statements provide separate financial statements for governmental funds, proprietary funds and fiduciary funds (even though fiduciary funds are excluded from the government-wide financial statements). The emphasis of the fund financial statements is on the City's major funds, and each major fund is reported in a separate column. Non-major funds of each type are summarized into a single column.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as they are both measurable and available. Revenue is considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales and use taxes, beer taxes, occupational taxes, lodging taxes, rental and leasing taxes, payments in lieu of taxes, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. All other revenue is considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *general fund* is the primary operating fund of the City. General tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures applicable to the general operations of the City are paid from the general fund.
- The *school ad valorem tax fund* accounts for funds received from a three mills property tax that is earmarked for educational purposes.
- The *capital improvements fund* accounts for the proceeds of certain capital debt and for the portion of sales and use taxes that are earmarked for capital purposes.
- The *ad valorem fire tax fund* accounts for the funds received from a three mills property tax that is earmarked for public safety purposes.

The City reports the following major proprietary funds:

- The *Air Depot fund* accounts for the activities of the Air Depot.
- The *residential garbage fund* accounts for the activities of the City's residential garbage service, including waste disposal at the current landfill and future landfill closure and post closure care costs at all landfill sites.
- The *golf course fund* accounts for the activities of Twin Bridges Golf Course.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

Additionally, the City reports the following fund types:

- The City's nonmajor *special revenue funds* are used to account for resources that are legally restricted to expenditure for specific purposes, not including those accounted for in capital projects funds or permanent funds.
- *Debt service funds* account for the payment of principal and interest on long-term debt not being financed by proprietary funds.
- The City's nonmajor *capital projects funds* account for the costs of constructing or acquiring capital assets and major improvements other than those financed by proprietary funds.
- *Permanent funds* are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs - that is, for the benefit of the City or its citizens.
- An *internal service fund* accounts for the accumulation of funds and the allocation of claims arising from the City's self-insured workers' compensation program and for the accumulation of funds for the payment of employee health care costs.

The proprietary and internal service funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish *operating* revenue and expenses from *non-operating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and internal service fund are charges to customers and users for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Cash and Investments – Cash includes cash on hand, amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City. State statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, U.S. corporate stock, U.S. corporate debt, State of Alabama Government obligations, County Government obligations, and other Municipal Government obligations. All investments are reported at fair value.

For purposes of the statements of cash flows, cash and cash equivalents include short-term investments with an original maturity date of three months or less.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

Receivables and Payables – Activity between funds that are representative of lending and borrowing arrangements, as well as all other outstanding balances between funds at year-end are referred to as due to/from other funds. These balances resulted from the time lag between dates that goods and services were provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments are made between funds. Management does not expect the balances owed by the Golf and Garbage funds to be fully collected by the General Fund in the subsequent year. Any outstanding balances between governmental activities and business-type activities are reported in the government-wide statement of net position as internal balances.

Advances to other funds are offset by a fund balance reserve in the fund financial statements to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectible accounts.

Property taxes are assessed by the Etowah County Tax Assessor and collected by the Etowah County Tax Collector. The Etowah County property tax calendar specifies the following actions on the following dates:

Levy (assessment date)	September 30
Lien date	September 30
Due date	October 1
Collection dates	October 1 to December 31
Delinquent date	January 1

Inventories and Prepaid Items – All inventories are valued at cost using the first in/first out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Restricted Assets – Certain proceeds of long-term debt, as well as certain resources set aside for its repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable debt agreements.

Capital Assets – Capital outlays are recorded as expenditures in governmental fund financial statements. In contrast, capital assets, which include land, buildings, improvements other than buildings, equipment, construction in progress, and infrastructure (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide and proprietary fund financial statements.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the asset's life are not capitalized.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 1 – Summary of Significant Accounting Principles (continued)

Capital assets are defined by the City as assets with an estimated useful life in excess of one year and with an individual cost at least equal to the following amounts:

Land	\$	1
Buildings		50,000
Improvements other than buildings		50,000
Equipment		1,000
Infrastructure		
Street construction and improvements		100,000
Bridges		100,000
Street resurfacing, sidewalks, drainage, etc.		50,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land	Not depreciated
Construction in progress	Not depreciated
Buildings	25 years
Improvements	25 years
Equipment	5-10 years
Infrastructure	
Street construction and improvements	50 years
Bridges	30 years
Street resurfacing, sidewalks, drainage, etc.	10-25 years

Pension – The City participates in the Employee’s Retirement System of Alabama (the Plan). The Plan’s 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 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.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City’s deferred outflows of resources reported in the government-wide statement of financial position include deferred charges on refunding and the pension-related activity. A deferred charge on refunded debt results from the difference in carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for pension activity result from the City’s participation in the Employee’s Retirement System of Alabama. The pension activity represents changes in assumptions, net difference between projected and actual earnings on pension plan investments, and amounts resulting from employer contributions made subsequent to the Plan’s measurement date but as of the date of the City’s basic financial statements.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 1 – Summary of Significant Accounting Principles (continued)

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a type of deferred inflow, unavailable property tax revenue, which arises only under a modified accrual basis of accounting that qualifies for reporting this category. Accordingly, the unavailable property tax revenue is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports pension related activity as a type of deferred inflow. The pension activity represents differences between expected and actual experience.

Compensated Absences – City employees earn sick leave at the rate of one day per month of service. Each employee can accumulate up to sixty days of sick leave. Employees earn vacation leave at graduated rates based on their length of service. Each employee can accumulate up to twenty days of vacation leave and carry it over to the next year.

Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund. Premiums and discounts are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the unamortized portion of these amounts. Long-term obligations are not reported in governmental funds.

Lease Obligations – Capital lease obligations are stated at the original fair value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease. Also, in the year an asset is acquired by capital lease, the expenditure for the asset and the offsetting amount of the financing source are reflected in the fund financial statements. Capital lease obligations of proprietary funds and governmental activities in the government-wide financial statements and the cost of assets so acquired are reflected in the accounts of those funds and statements.

Net Position – Net position is reported in the government-wide financial statements and is classified into the following categories:

- Net investment in capital assets;
- Restricted; and
- Unrestricted.

Restricted net position is that whose use by the City is subject to externally imposed stipulations that can be fulfilled by actions of the City or that expire with the passage of time. The government-wide statement of net position reports \$5,483,822 of restricted net position, of which \$2,050,914 is restricted by enabling legislation. Unrestricted net position is not subject to external restrictions but may be designated for specific purposes by the City's management or the City council.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 1 – Summary of Significant Accounting Principles (continued)

Fund Balance Policies – Governmental Funds – The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as non-spendable at September 30, 2018 by the City, are non-spendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Total</u>
Non-spendable Funds			
Inventories	\$ 266,225	\$ -	\$ 266,225
Non-current receivables	436	5,881,010	5,881,446
Non-spendable Fund Balance	<u>\$ 266,661</u>	<u>\$ 5,881,010</u>	<u>\$ 6,147,671</u>

- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

	<u>School Ad Valorem Tax Fund</u>	<u>Ad Valorem Fire Tax Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
Restricted for						
Community development and social services	\$ -	\$ -	\$ 794,256	\$ -	\$ -	\$ 794,256
Other purposes and grants	525,277	-	2,996,593	-	-	3,521,870
Public safety	-	764,270	118,657	-	-	882,927
Recreational and cultural	-	-	63,404	-	183,785	247,189
Road repair	-	-	36,626	-	-	36,626
Debt service reserves	-	-	-	24,627	-	24,627
Restricted Fund Balance	<u>\$ 525,277</u>	<u>\$ 764,270</u>	<u>\$ 4,009,536</u>	<u>\$ 24,627</u>	<u>\$ 183,785</u>	<u>\$ 5,507,495</u>

- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the City Council, The City's highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by the City Council.

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Ad Valorem Fire Tax Fund</u>	<u>2017-B Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Committed for						
Legal claims	\$ 571,500	\$ -	\$ -	\$ -	\$ -	\$ 571,500
Compensated absences	595,525	-	-	-	-	595,525
Encumbrances	2,055,509	-	-	-	-	2,055,509
Capital improvements	-	3,833,010	204	6,493,346	8,334,279	18,660,839
Committed Fund Balance	<u>\$ 3,222,534</u>	<u>\$ 3,833,010</u>	<u>\$ 204</u>	<u>\$ 6,493,346</u>	<u>\$ 8,334,279</u>	<u>\$ 21,883,373</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 1 – Summary of Significant Accounting Principles (continued)

- Assigned – includes amounts that The City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Finance Director or other City management. The City had no assigned fund balances at September 30, 2018.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The City reports all amounts that meet the Unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental funds balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the statement of net position. One element of that reconciliation explains that long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. The details of this difference are as follows:

General obligation warrants payable	\$ (60,942,918)
Deferred charge on refunding (to be amortized as interest expense)	990,472
Issuance discounts and premiums (to be amortized as interest expense)	(2,771,718)
HUD Section 108 loans	(600,000)
Capital leases	(1,320,044)
Accrued interest payable	(374,051)
Compensated absences	(3,104,427)
Claims and judgments	(419,451)
OPEB liability	(20,946,126)
Net pension liability	(49,483,198)
Deferred outflows of resources - pension related	7,297,872
Deferred inflows of resources - pension related	(3,386,893)
Deferred inflows of resources - OPEB	<u>(1,541,313)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (136,601,795)</u>

Explanation of certain differences between the governmental funds statement of revenue, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenue, expenditures and changes in fund balances includes reconciliation between Net Change in Fund Balances – total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that 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. The details of this difference are as follows:

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 2 – Reconciliation of Government-Wide and Fund Balance Statements (continued)

Outlays capitalized	\$ 25,754,460
Depreciation expense	<u>(6,645,455)</u>
Net adjustment to increase net change in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 19,109,005</u>

Another element of that reconciliation states that 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Debt issued or incurred	
Proceeds from long-term debt issued	\$ (24,335,650)
Amortization of long-term debt related, premiums, discounts, etc.	120,362
Principal repayments (including refunding proceeds to escrow agent)	<u>5,348,829</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (18,866,459)</u>

Another element of that reconciliation states that some expenses reported in the statement of activities differ from amounts reported as expenditures in governmental funds. The details of this difference are as follows:

Compensated absences	\$ (38,120)
Claims and judgments	309,547
OPEB	168,572
Pension	(502,841)
Accrued interest	<u>(191,514)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (254,356)</u>

Note 3 – Stewardship, Compliance and Accountability

Budgetary Information – The City follows these procedures in adopting its annual budgets:

1. The Mayor annually submits to the City Council a proposed Operating Budget for the general fund and special revenue funds for the fiscal year commencing October 1. The Operating Budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund or transfer between departments must be approved by City Council Ordinance.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 3 – Stewardship, Compliance and Accountability (continued)

5. Formal budgetary integration is employed as a management control device during the year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles except that budgets and budgetary schedules included in these financial statements are prepared using encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded. At the end of the fiscal year, unencumbered appropriations automatically lapse.
7. The adopted Operating Budget is allotted to each department or agency of the City according to the Mayor-Council Act. Total appropriations may not be exceeded by expenditures unless the City Council amends the budget due to increased revenue or through a reduction of fund balance. This year's Operating Budget was amended as needed throughout the year by City Council action, provided adequate funds were available at the time of the amendment.

Excess of Expenditures Over Appropriations – During the fiscal year ended September 30, 2018, there were no expenditures in excess of appropriations in any fund (the legal level of budgetary control).

Note 4 – Deposits and Investments

Custodial Credit Risk – This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City participates in a collateral risk pool, the Security for Alabama Funds Enhancement program (SAFE). The pool is administered by the State of Alabama Office of the State Treasurer and was established to protect public deposits in excess of FDIC coverage. Bank deposits are collateralized by securities held in the risk pool. Under the SAFE program, participating banks pledge securities to the State Treasurer for the SAFE collateral pool.

Interest Rate Risk – The City does not have a formal investment policy that limits investment securities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

The City's deposits, including certificates of deposit, were fully insured or collateralized as required by state statutes at September 30, 2018.

At September 30, 2018, the entire bank balance of the City's component unit, the Gadsden Board of Education, was fully covered by federal depository insurance or the SAFE Program.

Restricted assets held in trust for retirement of debt in accordance with applicable trust indentures and for other purposes consist of the following:

2012-D G.O. Warrants	\$	6,104
2006-A G.O. Warrants		11,211
2011 G.O. Warrants		6,652
2017-A G.O. Warrants		1
2014-D G.O. Warrants		189
Capital Leases		<u>470</u>
Total	\$	<u>24,627</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 5 – Receivables

Receivables of the City’s individual major funds, and non-major and internal service funds in the aggregate were as follows at year-end:

	<u>General</u>	<u>School Ad Valorem</u>	<u>Capital Improvements</u>	<u>Ad Valorem Fire Tax</u>
Taxes receivable	\$ 5,505,167	\$ 1,341,069	\$ 557,939	\$ 1,225,719
Accounts receivable	-	-	-	-
Intergovernmental receivables	63,132	-	-	-
Notes and other receivables	<u>359,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross receivables	5,927,845	1,341,069	557,939	1,225,719
Allowance for uncollectibles	<u>(359,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	<u>\$ 5,568,735</u>	<u>\$ 1,341,069</u>	<u>\$ 557,939</u>	<u>\$ 1,225,719</u>

	<u>Air Depot</u>	<u>Garbage</u>	<u>Non-Major and Other</u>	<u>Total</u>
Taxes receivable	\$ -	\$ -	\$ 653,784	\$ 9,283,678
Accounts receivable	-	1,006,488	-	1,006,488
Intergovernmental receivables	-	-	214,237	277,369
Notes and other receivables	<u>-</u>	<u>-</u>	<u>128,635</u>	<u>488,181</u>
Gross receivables	-	1,006,488	996,656	11,055,716
Allowance for uncollectibles	<u>-</u>	<u>(394,523)</u>	<u>(127,095)</u>	<u>(880,728)</u>
Net Receivables	<u>\$ -</u>	<u>\$ 611,965</u>	<u>\$ 869,561</u>	<u>\$ 10,174,988</u>

The City reports revenue net of uncollectible amounts.

Lease Receivable – In 2009, a component unit of the City, the Public Building Authority of the City of Gadsden, entered into a lease agreement with the Alabama Department of Human Resources. The lease is classified as a direct financing lease expiring in 2029.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018 are as follows:

Years ending September 30:	
2019	\$ 642,132
2020	641,484
2021	639,733
2022	638,232
2023	639,833
2024-2028	3,200,691
20029	<u>482,006</u>
Total minimum lease payments	6,884,111
Less: Amount representing interest	<u>1,191,294</u>
Present value of minimum lease payments	<u>\$ 5,692,817</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 6 – Capital Assets

Governmental Activities

The following table summarizes the changes in capital assets during the year:

	Balance Beginning of Year	Additions/ Completions	Retirements/ Adjustments	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 20,884,373	\$ 46,619	\$ -	\$ 20,930,992
Construction in progress	<u>1,017,950</u>	<u>14,946,686</u>	<u>(782,602)</u>	<u>15,182,034</u>
Total Capital Assets Not Being Depreciated	<u>21,902,323</u>	<u>14,993,305</u>	<u>(782,602)</u>	<u>36,113,026</u>
Capital Assets Being Depreciated				
Buildings and capital facilities	48,717,869	3,239,209	-	51,957,078
Improvements	21,556,282	841,288	-	22,397,570
Equipment	38,831,612	3,894,179	(134,882)	42,590,909
Other infrastructures	<u>53,677,384</u>	<u>3,569,081</u>	<u>-</u>	<u>57,246,465</u>
Total Capital Assets Being Depreciated	<u>162,783,147</u>	<u>11,543,757</u>	<u>(134,882)</u>	<u>174,192,022</u>
Less Accumulated Depreciation for:				
Buildings and capital facilities	34,603,053	915,989	-	35,519,042
Improvements	6,940,588	879,077	-	7,819,665
Equipment	30,633,598	2,714,365	(123,847)	33,224,116
Other infrastructures	<u>34,723,391</u>	<u>2,136,024</u>	<u>-</u>	<u>36,859,415</u>
Total Accumulated Depreciation	<u>106,900,630</u>	<u>6,645,455</u>	<u>(123,847)</u>	<u>113,422,238</u>
Total Capital Assets Being Depreciated, net	<u>55,882,517</u>	<u>4,898,302</u>	<u>(11,035)</u>	<u>60,769,784</u>
Total Capital Assets, net	<u>\$ 77,784,840</u>	<u>\$ 19,891,607</u>	<u>\$ (793,637)</u>	<u>\$ 96,882,810</u>

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 6 – Capital Assets (continued)

Business-Type Activities

	Balance Beginning of Year	Additions/ Completions	Retirements/ Adjustments	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 2,976,164	\$ -	\$ -	\$ 2,976,164
Total Capital Assets Not Being Depreciated	<u>2,976,164</u>	<u>-</u>	<u>-</u>	<u>2,976,164</u>
Capital Assets Being Depreciated				
Buildings and capital facilities	7,158,278	-	-	7,158,278
Improvements	7,047,625	-	-	7,047,625
Equipment	4,297,467	-	(201,294)	4,096,173
Total Capital Assets Being Depreciated	<u>18,503,370</u>	<u>-</u>	<u>(201,294)</u>	<u>18,302,076</u>
Less Accumulated Depreciation for:				
Buildings and capital facilities	5,573,718	154,139	-	5,727,857
Improvements	4,678,532	249,233	-	4,927,765
Equipment	3,447,072	222,454	(201,294)	3,468,232
Total Accumulated Depreciation	<u>13,699,322</u>	<u>625,826</u>	<u>(201,294)</u>	<u>14,123,854</u>
Total Capital Assets Being Depreciated, net	<u>4,804,048</u>	<u>(625,826)</u>	<u>-</u>	<u>4,178,222</u>
Total Capital Assets, net	<u>\$ 7,780,212</u>	<u>\$ (625,826)</u>	<u>\$ -</u>	<u>\$ 7,154,386</u>

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

General government	\$ 67,963
Internal services	85,670
Public safety	1,828,808
Recreation and cultural services	1,504,875
Public works services	462,373
Urban development	<u>2,695,766</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,645,455</u>
Airport	\$ 96,052
Garbage	222,060
Golf Course	<u>309,714</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 627,826</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 6 – Capital Assets (continued)

Construction Commitments

The City had active construction projects at the end of the fiscal year. At year end, the City's commitments related to these projects were as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
South 11th Street Widening	\$ 83,527	\$ 548,045
South 11th Street Bridge	586,645	-
Venue at Coosa Landing	12,228,289	1,467,668
Gadsden State Complex	111,856	222,406
Hickory Street Bridge	12,642	353,805
Landfill Expansion of Cell 3	1,392,452	212,424
Moragne Park Renovations	1,214,852	1,374,630
Noccalula Falls Kiwanis Park	12,486	265,589
Pitman Theatre Renovations	53,269	68,740
Riverfront Cleanup	<u>65,192</u>	<u>466,074</u>
Total	<u>\$ 15,761,210</u>	<u>\$ 4,979,381</u>

These projects are being funded primarily from the proceeds of capital debt and capital grants.

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 6 – Capital Assets (continued)

Discretely Presented Component Units

Gadsden Board of Education

	Balance Beginning of Year	Additions/ Completions	Retirements/ Adjustments	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 5,644,526	\$ 378,710	\$ -	\$ 6,023,236
Total Capital Assets Not Being Depreciated	<u>5,644,526</u>	<u>378,710</u>	<u>-</u>	<u>6,023,236</u>
Other Capital Assets				
Buildings	61,774,180	-	-	61,774,180
Building improvements	17,187,374	8,326,696	-	25,514,070
Furniture and equipment	1,340,057	93,935	-	1,433,992
Vehicles	130,345	-	-	130,345
Total Capital Assets Being Depreciated	<u>80,431,956</u>	<u>8,420,631</u>	<u>-</u>	<u>88,852,587</u>
Less Accumulated Depreciation for:				
Buildings	25,094,076	1,029,219	-	26,123,295
Building improvements	7,521,878	613,842	-	8,135,720
Furniture and equipment	919,704	102,812	-	1,022,516
Total Accumulated Depreciation	<u>33,535,658</u>	<u>1,745,873</u>	<u>-</u>	<u>35,281,531</u>
Total Capital Assets Being Depreciated, net	<u>46,896,298</u>	<u>6,674,758</u>	<u>-</u>	<u>53,571,056</u>
Total Capital Assets, net	<u>\$ 52,540,824</u>	<u>\$ 7,053,468</u>	<u>\$ -</u>	<u>\$ 59,594,292</u>

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 6 – Capital Assets (continued)

Discretely Presented Component Units

Gadsden Airport Authority

	Balance Beginning of Year	Additions/ Completions	Retirements/ Adjustments	Balance End of Year
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 595,244	\$ -	\$ -	\$ 595,244
Total Capital Assets Not Being Depreciated	<u>595,244</u>	<u>-</u>	<u>-</u>	<u>595,244</u>
Other Capital Assets				
Airport runways	7,739,974	-	-	7,739,974
Buildings	195,516	-	-	195,518
Equipment	188,342	-	-	188,342
Improvements, other than building	<u>6,567,534</u>	<u>154,307</u>	<u>-</u>	<u>6,721,841</u>
Total Capital Assets Being Depreciated	<u>14,691,366</u>	<u>154,307</u>	<u>-</u>	<u>14,845,673</u>
Less Accumulated Depreciation for:				
Airport runways	6,318,105	129,920	-	6,448,025
Buildings	142,715	5,472	-	148,187
Equipment	165,446	7,827	-	173,273
Improvements, other than building	<u>1,585,036</u>	<u>226,909</u>	<u>-</u>	<u>1,811,945</u>
Total Accumulated Depreciation	<u>8,211,302</u>	<u>370,128</u>	<u>-</u>	<u>8,581,430</u>
Total Capital Assets Being Depreciated, Net	<u>6,480,064</u>	<u>(215,821)</u>	<u>-</u>	<u>6,264,243</u>
Total Capital Assets, Net	<u>\$ 7,075,308</u>	<u>\$ (215,821)</u>	<u>\$ -</u>	<u>\$ 6,859,487</u>

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See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 7 – Interfund Receivables, Payables and Transfers

The following is a detailed listing of interfund balances at year-end:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Due To/From Other Funds		
General	\$ 824,224	\$ -
Golf Course	-	1,143,293
Community Development	-	31,104
Transportation & Planning	-	32,920
Residential Garbage	421,075	-
Miscellaneous Grants	-	33,353
Special Auto Tax	-	<u>4,629</u>
Total	<u>\$ 1,245,299</u>	<u>\$ 1,245,299</u>

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 7 – Interfund Receivables, Payables and Transfers (continued)

	<u>Purpose</u>	<u>Amount</u>
<u>Transfers From General Fund - Transfers To</u>		
Residential Garbage	Operations	\$ 675,000
Gadsden Transit Grants	Operations	500,820
Transportation and Planning	Operations	39,043
Aging Program	Operations	102,970
Golf Course	Operations	<u>342,976</u>
Total Transfers From General Fund		<u>1,660,809</u>
 <u>Transfers From Ad Valorem Fire Tax Fund - Transfers To</u>		
Capital Lease	Debt Service	<u>340,666</u>
 <u>Transfers From Capital Improvements Fund - Transfers To</u>		
2014A GOW Debt Service	Debt Service	212,684
2012C GOW Debt Service	Debt Service	651,585
Airport Authority Warrant	Debt Service	71,222
2014B GOW Debt Service	Debt Service	319,419
Capital Lease Obligation	Debt Service	279,939
2014C GOW Debt Service	Debt Service	85,316
2014D GOW Debt Service	Debt Service	199,652
2006A GOW Debt Service	Debt Service	75,923
2011 GOW Debt Service	Debt Service	458,933
2012A GOW Debt Service	Debt Service	1,546,266
2012B GOW Debt Service	Debt Service	438,492
2012D GOW Debt Service	Debt Service	528,605
2017B GOW Debt Service	Debt Service	<u>1,297,413</u>
Total Transfers From Capital Improvements Fund		<u>6,165,449</u>
 <u>Transfers From Nonmajor Governmental Funds - Transfers To</u>		
2012D GOW Debt Service	Debt Service	900,000
Resurfacing Fund	Capital	368,000
General Fund	Operations	<u>205,410</u>
Total Transfers From Nonmajor Funds		<u>1,473,410</u>
 Total Transfers		 <u>\$ 9,640,334</u>

In the fund financial statements, total transfers in are different from total transfers out because of the accounting treatment of transfers of capital assets between governmental activities and proprietary activities. No amounts are reported in governmental funds because the amounts do not involve transfers of expendable available financial resources. However, proprietary funds do report the transfers at the net book value of the capital assets transferred.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 8 – Intra-Entity Receivables and Payables

Resource flows between the City and its discretely presented component units are reported as if they were external transactions - that is, as revenue and expenses. However, amounts payable and receivable between the City and its discretely presented component units or between those units are reported on a separate line in the statement of net position.

Due From Component Units

On December 22, 2003, the City issued warrants for the purpose of financing the costs of acquiring, constructing and equipping a new high school in connection with the consolidation of the Gadsden City Board of Education's existing three high schools. While the City is solely responsible for the debt service on these warrants, the City and the Board of Education executed a Funding Agreement that requires the Board of Education to make monthly payments to the City in the amount of \$75,000. The City refunded the Series 2003 Warrants with Series 2014-B.

\$ 9,390,204

Due To Component Units

The Taxable Airport Revenue Bonds, Series 2004 discussed above are demand bonds which may be tendered for payment by the bondholder in whole or in part on any business day at a purchase price equal to 100% of the principal amount tendered plus accrued interest. During the fiscal year 2009, the bondholder called the outstanding bonds of \$6,360,000 plus \$13,730 in accrued interest. To provide temporary short-term financing for this contingency, the City has obtained an irrevocable letter of credit from a financial institution in the amount of \$6,984,455. The City activated the irrevocable letter of credit, and has performed on all debt service payments. The amount due has been recorded at the current principal balance outstanding on the letter of credit.

\$ 2,590,812

School Ad Valorem Taxes receivable from taxpayers which are ultimately due to the Board of Education

705,415

Total Due to Component Units

\$ 3,296,227

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 9 – Long-term Liabilities

Changes in long-term liabilities during the year are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Governmental Activities						
General Obligation Warrants, Series 2017-B	\$ -	\$ 20,615,000	\$ (700,000)	\$ 19,915,000	\$ 520,000	\$ 19,395,000
General Obligation Warrants, Series 2017-A	2,111,423	-	(222,255)	1,889,168	222,255	1,666,913
General Obligation Warrants, Series 2014-B	7,405,000	-	(45,000)	7,360,000	45,000	7,315,000
General Obligation Warrants, Series 2014-C	2,080,000	-	(10,000)	2,070,000	15,000	2,055,000
General Obligation Warrants, Series 2014-D	1,113,750	-	(165,000)	948,750	165,000	783,750
General Obligation Warrants, Series 2012-D	5,145,000	-	(1,340,000)	3,805,000	1,365,000	2,440,000
General Obligation Warrants, Series 2012-A	14,930,000	-	(1,015,000)	13,915,000	1,060,000	12,855,000
General Obligation Warrants, Series 2012-B	2,605,000	-	(335,000)	2,270,000	345,000	1,925,000
General Obligation Warrants, Series 2012-C	5,815,000	-	(455,000)	5,360,000	475,000	4,885,000
General Obligation Warrants, Series 2011-A	3,245,000	-	(340,000)	2,905,000	340,000	2,565,000
General Obligation Warrants, Series 2006-A	555,000	-	(50,000)	505,000	60,000	445,000
Less deferred amounts						
For issuance discounts	(62,384)	-	6,176	(56,208)	(6,176)	(50,032)
Plus deferred amounts						
For issuance premiums	335,937	2,716,095	(224,106)	2,827,926	224,106	2,603,820
Total General Obligation Warrants	45,278,726	23,331,095	(4,895,185)	63,714,636	4,830,185	58,884,451
Other Long-Term Liabilities						
HUD Section 108 Loans	675,000	-	(75,000)	600,000	75,000	525,000
Capital leases	912,063	1,004,555	(596,574)	1,320,044	610,218	709,826
Compensated absences	3,074,429	38,272	-	3,112,701	722,327	2,390,374
OPEB liability	21,519,192	-	(573,066)	20,946,126	-	20,946,126
Net pension liability	51,389,404	-	(1,613,667)	49,775,737	3,651,132	46,124,605
Claims and judgments	3,561,184	-	(637,840)	2,923,344	690,000	2,233,344
Governmental Activities Long-term Liabilities	\$ 126,409,998	\$ 24,373,922	\$ (8,391,332)	\$ 142,392,588	\$ 10,578,862	\$ 131,813,726
Business-Type Activities						
Taxable general obligation warrants, Series 2005-B	\$ 300,000	\$ -	\$ (100,000)	\$ 200,000	\$ 100,000	\$ 100,000
Compensated absences	111,323	8,803	-	120,126	120,126	-
OPEB liability	271,852	-	(31,715)	240,137	-	240,137
Net pension liability	2,573,147	-	(167,496)	2,405,651	176,458	2,229,193
Accrued landfill closure and post closure	4,173,874	-	(1,763,508)	2,410,366	47,200	2,363,166
Business-Type Activities Long-term Liabilities	\$ 7,430,196	\$ 8,803	\$ (2,062,719)	\$ 5,376,280	\$ 443,784	\$ 4,932,496

The City's internal service fund primarily serves the governmental funds. Accordingly, its long-term liabilities are included as part of the long-term liabilities of governmental activities above.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 9 – Long-term Liabilities (continued)

Compensated absences and claims and judgments liabilities of governmental activities typically have been liquidated from the general fund in prior years.

General Obligation Warrants, Special Obligation Bonds and Notes Payable

The City issues long-term bonds and warrants to provide funds for the acquisition and construction of major capital facilities. The bonds and warrants have been issued for both governmental and business-type activities. General obligation debt represents direct obligations and pledges the full faith and credit of the City. These bonds and warrants are generally issued as serial bonds and warrants with varying amounts of principal maturing each year.

Governmental Activities:

General Obligation Warrant dated November 27, 2017 is due in annual principal installments ranging from \$520,000 to \$2,610,000 starting August 1, 2018 through August 1, 2030, with interest payable semi-annually from inception at rates varying from 2 percent to 5 percent.	\$ 19,915,000
General Obligation Warrant dated January 18, 2017 is due in quarterly principal installments of \$55,564 starting May 11, 2017 through May 11, 2027, with interest payable monthly from inception at 3.8125 percent.	1,889,168
General Obligation Warrants dated June 26, 2014 are due in annual principal installments ranging from \$316,000 to \$1,866,000 starting July 10, 2014 through August 1, 2033, with interest payable semi-annually from inception at rates varying from 2.0 percent to 3.7 percent.	7,360,000
General Obligation Warrants dated June 26, 2014 are due in annual principal installments ranging from \$84,000 to \$518,000 starting July 10, 2014 through August 1, 2033, with interest payable semi-annually from inception at rates varying from 2.0 percent to 3.7 percent.	2,070,000
General Obligation Warrants dated June 30, 2014 are due in annual principal installments ranging from \$41,250 to \$165,000 starting June 30, 2014 through June 30, 2024, with interest payable semi-annually from inception at 3.25 percent.	948,750
General Obligation Warrants dated December 21, 2012 are due in annual principal installments ranging from \$795,000 to \$1,365,000 starting March 1, 2013 through March 1, 2022, with interest payable semi-annually from inception at 1.98 percent.	3,805,000
General Obligation Warrants dated February 2, 2012 are due in annual principal installments ranging from \$925,000 to \$1,490,000 starting August 1, 2015 through August 1, 2029, with interest payable semi-annually from inception at rates varying from 2.75 percent to 4 percent.	13,915,000
General Obligation Warrants dated February 2, 2012 are due in annual principal installments ranging from \$30,000 to \$420,000 through August 1, 2024, with interest payable semi-annually at rates varying from 1.51 percent to 4.45 percent.	2,270,000
General Obligation Warrants dated February 2, 2012 are due in annual principal installments ranging from \$110,000 to \$570,000 through August 1, 2029, with interest payable semi-annually at rates varying from 2 percent to 4 percent.	5,360,000

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 9 – Long-term Liabilities (continued)

General Obligation Bank Qualified Warrants dated August 30, 2011 are due in quarterly principal installments ranging from \$65,000 to \$100,000 through December 1, 2021, with interest due monthly at a fixed rate of 3.85%. Balance of \$1,810,000 due at end of term. 2,905,000

General Obligation Warrants dated June 12, 2007, are due in annual principal installments ranging from \$30,000 to \$325,000 through November 20, 2025, with variable interest payable semi-annually. 505,000

HUD Section 108 Loans dated October 14, 2007, due in annual principal installments ranging from \$42,745 to \$537,787 through October 14, 2025, with interest payable semi-annually at LIBOR + 20 basis points. 600,000

Total Governmental Activities \$61,542,918

Business-type Activities:

General Obligation Warrants of 2007 dated April 28, 2005, are due in annual principal installments of \$100,000 beginning May 1, 2007 through May 1, 2020, with interest payable semi-annually at 6.51 percent. \$ 200,000

Total Business-Type Activities \$ 200,000

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 9 – Long-term Liabilities (continued)

The following schedules show debt service to maturity for general obligation warrants, special obligation bonds and notes payable outstanding at September 30, 2018:

	<u>Total</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities					
GOW Series 2017-B					
Principal	\$ 19,915,000	\$ 520,000	\$ 535,000	\$ 555,000	\$ 580,000
Interest	6,872,700	878,400	862,800	841,400	819,200
Total	<u>26,787,700</u>	<u>1,398,400</u>	<u>1,397,800</u>	<u>1,396,400</u>	<u>1,399,200</u>
GOW Series 2017-A					
Principal	1,889,168	222,255	222,255	222,255	222,255
Interest	309,103	68,091	59,786	51,156	42,688
Total	<u>2,198,271</u>	<u>290,346</u>	<u>282,041</u>	<u>273,411</u>	<u>264,943</u>
GOW Series 2014-B					
Principal	7,360,000	45,000	45,000	45,000	45,000
Interest	3,595,388	272,459	271,559	270,659	269,703
Total	<u>10,955,388</u>	<u>317,459</u>	<u>316,559</u>	<u>315,659</u>	<u>314,703</u>
GOW Series 2014-C					
Principal	2,070,000	15,000	15,000	15,000	15,000
Interest	963,311	73,856	73,406	72,956	72,506
Total	<u>3,033,311</u>	<u>88,856</u>	<u>88,406</u>	<u>87,956</u>	<u>87,506</u>
GOW Series 2014-D					
Principal	948,750	165,000	165,000	165,000	165,000
Interest	93,808	29,214	23,845	18,341	12,904
Total	<u>1,042,558</u>	<u>194,214</u>	<u>188,845</u>	<u>183,341</u>	<u>177,904</u>
GOW Series 2012-D					
Principal	3,805,000	1,365,000	795,000	815,000	830,000
Interest	134,988	61,826	40,442	24,503	8,217
Total	<u>3,939,988</u>	<u>1,426,826</u>	<u>835,442</u>	<u>839,503</u>	<u>838,217</u>
GOW Series 2012-A					
Principal	13,915,000	1,060,000	1,100,000	1,140,000	1,190,000
Interest	3,092,461	489,606	447,206	403,206	357,606
Total	<u>17,007,461</u>	<u>1,549,606</u>	<u>1,547,206</u>	<u>1,543,206</u>	<u>1,547,606</u>
GOW Series 2012-B					
Principal	2,270,000	345,000	355,000	365,000	385,000
Interest	344,177	91,845	79,563	66,322	51,867
Total	<u>2,614,177</u>	<u>436,845</u>	<u>434,563</u>	<u>431,322</u>	<u>436,867</u>
GOW Series 2012-C					
Principal	5,360,000	475,000	495,000	510,000	525,000
Interest	1,051,081	177,325	158,325	143,475	128,175
Total	<u>6,411,081</u>	<u>652,325</u>	<u>653,325</u>	<u>653,475</u>	<u>653,175</u>
GOW Series 2011-A					
Principal	2,905,000	340,000	370,000	385,000	1,810,000
Interest	294,862	105,298	93,266	78,877	17,421
Total	<u>3,199,862</u>	<u>445,298</u>	<u>463,266</u>	<u>463,877</u>	<u>1,827,421</u>
GOW Series 2006-A					
Principal	505,000	60,000	60,000	60,000	65,000
Interest	85,703	19,625	17,222	14,818	12,416
Total	<u>590,703</u>	<u>79,625</u>	<u>77,222</u>	<u>74,818</u>	<u>77,416</u>
HUD Section 108 Loan					
Principal	600,000	75,000	75,000	75,000	75,000
Interest	144,426	33,713	29,625	25,493	21,315
Total	<u>744,426</u>	<u>108,713</u>	<u>104,625</u>	<u>100,493</u>	<u>96,315</u>
Total Governmental Activities					
Principal	61,542,918	4,687,255	4,232,255	4,352,255	5,907,255
Interest	16,982,008	2,301,258	2,157,045	2,011,206	1,814,018
Total	<u>\$ 78,524,926</u>	<u>\$ 6,988,513</u>	<u>\$ 6,389,300</u>	<u>\$ 6,363,461</u>	<u>\$ 7,721,273</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 9 – Long-term Liabilities (continued)

	<u>2023</u>	<u>2024-2028</u>	<u>2029-2033</u>
Governmental Activities			
GOW Series 2017-B			
Principal	\$ 2,090,000	\$ 11,935,000	\$ 3,700,000
Interest	796,000	2,501,250	173,650
Total	<u>2,886,000</u>	<u>14,436,250</u>	<u>3,873,650</u>
GOW Series 2017-A			
Principal	222,255	777,893	-
Interest	34,220	53,162	-
Total	<u>256,475</u>	<u>831,055</u>	<u>-</u>
GOW Series 2014-B			
Principal	50,000	265,000	6,865,000
Interest	268,578	1,321,400	921,030
Total	<u>318,578</u>	<u>1,586,400</u>	<u>7,786,030</u>
GOW Series 2014-C			
Principal	15,000	75,000	1,920,000
Interest	72,056	353,081	245,450
Total	<u>87,056</u>	<u>428,081</u>	<u>2,165,450</u>
GOW Series 2014-D			
Principal	165,000	123,750	-
Interest	7,467	2,037	-
Total	<u>172,467</u>	<u>125,787</u>	<u>-</u>
GOW Series 2012-D			
Principal	-	-	-
Interest	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2012-A			
Principal	1,220,000	6,715,000	1,490,000
Interest	324,881	1,014,081	55,875
Total	<u>1,544,881</u>	<u>7,729,081</u>	<u>1,545,875</u>
GOW Series 2012-B			
Principal	400,000	420,000	-
Interest	35,890	18,690	-
Total	<u>435,890</u>	<u>438,690</u>	<u>-</u>
GOW Series 2012-C			
Principal	540,000	2,400,000	415,000
Interest	113,738	314,481	15,562
Total	<u>653,738</u>	<u>2,714,481</u>	<u>430,562</u>
GOW Series 2011			
Principal	-	-	-
Interest	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2006-A			
Principal	70,000	190,000	-
Interest	9,714	11,908	-
Total	<u>79,714</u>	<u>201,908</u>	<u>-</u>
HUD Section 108 Loan			
Principal	100,000	200,000	-
Interest	17,100	17,180	-
Total	<u>117,100</u>	<u>217,180</u>	<u>-</u>
Total Governmental Activities			
Principal	4,872,255	23,101,643	14,390,000
Interest	1,679,644	5,607,270	1,411,567
Total	<u>\$ 6,551,899</u>	<u>\$ 28,708,913</u>	<u>\$ 15,801,567</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 9 – Long-term Liabilities (continued)

	<u>Total</u>	<u>2019</u>	<u>2020</u>
Busines-Type Activities			
GOW, Series 2005-B			
Principal	\$ 200,000	\$ 100,000	\$ 100,000
Interest	<u>19,820</u>	<u>13,201</u>	<u>6,619</u>
Total	<u>\$ 219,820</u>	<u>\$ 113,201</u>	<u>\$ 106,619</u>

Capital Leases

The City has entered into capital leases to finance the acquisition of computer equipment, vehicles and other equipment. These lease agreements are classified as capital leases for accounting purposes and, therefore, are reported as long-term liabilities at the present value of their future minimum lease payments.

The net carrying values of assets acquired under capital leases at year end were:

Governmental Activities	
Equipment	\$ 3,679,165
Less: Accumulated depreciation	<u>(1,912,167)</u>
Net Carrying Value	<u>\$ 1,766,998</u>

The future minimum lease payments and the net present value of these minimum lease payments were as follows at year end:

	<u>Governmental Activities</u>
Years ending September 30,	
2019	\$ 632,975
2020	429,188
2021	255,577
2022	<u>40,983</u>
Total minimum lease payments	1,358,723
Less: Amounts representing interest	<u>(38,679)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,320,044</u>

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CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 9 – Long-term Liabilities (continued)

Public Building Authority of the City of Gadsden

General Obligation Warrants dated April 1, 2009 were issued to construct a building. Payments are due in annual principal installments ranging from \$300,000 to \$615,000 through July 1, 2029, with interest payable semi-annually at rates varying from 3.375% to 4.50%.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
General Obligation Warrants - Series 2009	\$ 5,910,000	\$ -	\$ 395,000	\$ 5,515,000	\$ 410,000	\$ 5,105,000
Deferred amounts for issuance discount	9,987	-	842	9,145	842	8,303
	<u>\$ 5,919,987</u>	<u>\$ -</u>	<u>\$ 395,842</u>	<u>\$ 5,524,145</u>	<u>\$ 410,842</u>	<u>\$ 5,113,303</u>

Future debt service to maturities for the General Obligation Warrants – Series 2009 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 410,000	\$ 205,693	\$ 615,693
2020	425,000	189,965	614,965
2021	440,000	173,662	613,662
2022	455,000	156,783	611,783
2023	475,000	139,329	614,329
2024-2028	2,695,000	407,402	3,102,402
2029	<u>615,000</u>	<u>17,724</u>	<u>632,724</u>
Total	<u>\$ 5,515,000</u>	<u>\$ 1,290,558</u>	<u>\$ 6,805,558</u>

Claims and Judgments

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses and injuries to employees; and natural disasters. The City has established a limited risk management program for employee medical and workers' compensation. The City has purchased commercial insurance coverage for employee medical expenses exceeding \$50,000 per employee per year, and for workers' compensation claims exceeding \$300,000 per claim and for aggregate claims exceeding 275 percent of expected annual claims. The City has also purchased commercial insurance coverage for commercial general liability, automobile and property, public officials and other employee bonds, etc. with varying coverage amounts and deductibles. Settlements have not exceeded coverage in any of the last three fiscal years.

The liabilities for employee medical and workers' compensation claims are reported in the internal service fund. The liabilities for other legal claims (e.g. settlements of lawsuits against the City) are not reported as a fund liability until they become due and payable because they are paid from the general fund. The government-wide statement of net position includes all liabilities for claims and judgments as part of long-term liabilities.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 9 – Long-term Liabilities (continued)

Liabilities for claims and judgments are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liabilities is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards.

Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liabilities also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liabilities estimate. Changes in the balances of claims liabilities during the fiscal year were:

	Workers' Compensation and Medical Claims	Legal Claims	Total
Unpaid claims, beginning of year	\$ 2,832,186	\$ 728,998	\$ 3,561,184
Incurred claims (including IBNRs)	170,987	-	170,987
Claim payments	<u>(499,280)</u>	<u>(309,547)</u>	<u>(808,827)</u>
Unpaid Claims, End of Year	<u>\$ 2,503,893</u>	<u>\$ 419,451</u>	<u>\$ 2,923,344</u>

The Board of Education 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 Board of Education has insurance for its buildings and contents through the State Insurance Fund (SIF), Alabama Department of Finance, Division of Risk Management, which operates as a common risk management and insurance program for state-owned properties and boards of education. The Board of Education pays the annual premium based on the amount of coverage. The SIF is self-insured up to \$3.5 million per occurrence and purchases commercial insurance for claims in excess of \$3.5 million. Errors and omissions insurance is purchased from Alabama Risk Management for Schools (ARMS), a public entity risk pool. ARMS collects premiums and purchases commercial insurance for the amount of coverage requested by pool participants. The Board of Education purchases commercial insurance for fidelity bonds. Settled claims in the past three years have not exceeded the commercial insurance coverage. Also, there have been no significant reductions in insurance coverage from the prior year.

The Board of Education's employee health insurance is provided through the Public Education Employees' Health Insurance Fund (PEEHIF), administered by the Public Education Employees' Health Insurance Board. PEEHIF was established to provide a uniform plan of health insurance for current and retired employees of state educational institutions and is self-sustaining. Monthly premiums for employee and dependent coverage are set annually by the plan's actuary and are based on anticipated claims in the upcoming year, considering any remaining fund balance on hand available for claims. The Board of Education contributes the specified amount monthly to the PEEHIF for each employee. The Board of Education contribution is applied against the employees' premium for the coverage selected and the employee pays any remaining premium.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 9 – Long-term Liabilities (continued)

The State Board of Adjustments is a state agency with which people can file claims against the Board of Education to collect reimbursement for damages when all other means have been exhausted. The Board of Education does not have insurance coverage for job-related injuries. Claims for employee job-related injuries may be filed with the State Board of Adjustment. The Board of Adjustment determines if a claim is valid and determines the proper amount of compensation. Payments are made from state appropriated funds at no cost to the Board of Education. Several such claims or related settlements have occurred in the past three years.

Landfill Closure and Post Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense of the residential garbage enterprise fund in each period based on landfill capacity used as of fiscal year end.

The \$2,410,366 reported as landfill closure and post closure care liability at September 30, 2018, represents the cumulative amount reported to date, based on the use of 66 percent of the estimated capacity of its Brunsway Drive site and post closure care costs for 13 remaining years at the Nocalula Falls sites. The City will recognize the remaining estimated cost of closure and post closure care of \$2,732,270 as the remaining estimated capacity of the Brunsway Drive site is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2018. The City expects to close the Brunsway Drive site in the year 2026. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

The City met the Environmental Protection Agency's ("EPA") regulations regarding financial assurance provisions by meeting the EPA's financial test as of September 30, 2018.

Note 10 – Contingencies

Various lawsuits are pending against the City. In addition, numerous claims have been filed which have not yet resulted in lawsuits. In the opinion of the City Attorney, the potential adverse impact of all these claims, individually or in the aggregate, would not be material to the financial statements of the City.

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

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan

General Information about the Pension Plan

Plan description: The Employees' Retirement System of Alabama (ERS), an agency multiple-employer public employee retirement 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. Assets of the ERS are pooled for investment purposes. However, separate accounts are maintained for each individual employer, so that each employer's share of the pooled assets is legally available to pay the benefits of its employees only. 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.

The ERS Board of Control consists of 13 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) Six 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. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

Benefits provided: State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for Tier 1 ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan (continued)

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

Members are eligible for disability retirement if they have 10 years of 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.

The ERS membership includes approximately 88,517 participants from approximately 909 local participating employers. As of September 30, 2017, membership consisted of:

	<u>ERS</u>	<u>City</u>
Retirees and beneficiaries currently receiving benefits	23,853	408
Terminated employees entitled to but not yet receiving benefits	1,401	8
Terminated employees not entitled to a benefit	7,154	23
Active members	55,941	528
Post-DROP participants still in active service	<u>168</u>	<u>3</u>
Total	<u>88,517</u>	<u>970</u>

Contributions: Tier 1 covered members of the ERS (except State Police and certified law enforcement, correctional officers, and firefighters) contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, Tier 1 covered members of the ERS (except State Police and certified law enforcement, correctional officers, and firefighters) were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, Tier 1 covered members of the ERS (except State Police and certified law enforcement, correctional officers, and firefighters) are required by statute to contribute 7.50% of earnable compensation. Tier 1 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, Tier 1 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, Tier 1 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. Tier 1 State Police members of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS (except State Police and certified law enforcement, correctional officers, and firefighters) 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.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan (continued)

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, 2018, the City's average contribution rate to fund the normal and accrued liability costs was 17.98% of covered employee payroll.

City's contractually required contribution rate for the year ended September 30, 2018 was 18.27% of pensionable pay for Tier 1 employees, and 16.92% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2015, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$3,827,590 for the year ended September 30, 2018.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2016 rolled forward to September 30, 2017 using standard roll-forward techniques as shown in the following table:

	<u>Expected</u>	<u>Actual</u>
(a) Total Pension Liability as of September 30, 2016	\$ 120,699,084	\$ 121,728,302
(b) Discount rate	7.75%	7.75%
(c) Entry Age Normal Cost for the period October 1, 2016 - September 30, 2017	1,830,169	1,830,169
(d) Transfers Among Employers	-	(254,355)
(e) Actual Benefit Payments and Refunds for the period October 1, 2016 - September 30, 2017	<u>(8,178,550)</u>	<u>(8,178,550)</u>
(f) Total Pension Liability as of September 30, 2017 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 123,387,963</u>	<u>\$ 124,242,591</u>
(g) Difference between Expected and Actual		\$ 854,628
(h) Less Liability Transferred for Immediate Recognition		<u>(254,355)</u>
(i) Experience (Gain)/Loss = (g) - (h)		<u>\$ 1,108,983</u>

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan (continued)

Actuarial assumptions: The total pension liability as of September 30, 2017 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2016. The key actuarial assumptions are summarized below:

Inflation	2.75%
Projected salary increases	3.25% - 5.00%
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 actuarial assumptions used in the actuarial valuation as of September 30, 2016 were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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

The target asset allocation and best estimates of geometric real rates of return for each major asset class, as provided by the ERS, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.00%	4.40%
US Large Stocks	32.00%	8.00%
US Mid Stocks	9.00%	10.00%
US 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 Equivalents	3.00%	1.50%
Total	100%	

* Includes assumed rate of inflation of 2.50%

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan (continued)

Discount rate: The discount rate used to measure the total pension liability was the long term rate of return, 7.75%. 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 employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2016	\$ 120,699,084	\$ 66,736,532	\$ 53,962,552
Changes for the year:			
Service cost	1,830,169	-	1,830,169
Interest	9,037,260	-	9,037,260
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,108,983	-	1,108,983
Contributions - employer	-	3,808,433	(3,808,433)
Contributions - employee	-	1,597,925	(1,597,925)
Net investment income	-	8,351,218	(8,351,218)
Benefit payments, including refunds of employee contributions	(8,178,550)	(8,178,550)	-
Administrative expense	-	-	-
Transfers among employers	(254,355)	(254,355)	-
Net changes	<u>3,543,507</u>	<u>5,324,671</u>	<u>(1,781,164)</u>
Balances at September 30, 2017	<u>\$ 124,242,591</u>	<u>\$ 72,061,203</u>	<u>\$ 52,181,388</u>

Sensitivity of the net pension liability to changes in the discount rate: The following table presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 65,283,468	\$ 52,181,388	\$ 41,025,323

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 11 – Pension Plan (continued)

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, 2017. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2017. The auditor’s report dated August 31, 2018, 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.

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

For the year ended September 30, 2018, the City recognized net pension expense \$4,548,018. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 903,616	\$ 1,397,230
Changes of assumptions	2,964,599	-
Net difference between projected and actual earnings on pension plan investments	-	2,174,342
Employer contributions subsequent to the measurement date	3,827,590	-
	<u>7,695,805</u>	<u>3,571,572</u>
Total	<u>\$ 7,695,805</u>	<u>\$ 3,571,572</u>

Deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date totaling \$3,827,590 will be recognized as a reduction of net pension liability in the year ended September 30, 2019. Other 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:	
2019	\$ (9,152)
2020	478,941
2021	(87,707)
2022	(167,587)
2023	82,148
Thereafter	-

Note 12 – Post-Employment Benefits

Retiree Medical Plan Eligibility. A participant is eligible to receive benefits from the plan upon retirement under the Retirement System of Alabama. To be eligible for retiree benefits, the participant must be actively covered under the medical plan immediately prior to retirement and must have attained a specified age and service requirement at retirement, either: age 60 with 10 years of service, or any age with 25 years of service.

A participant is eligible for a disability retirement upon attainment of 10 years of service and must be deemed permanently incapacitated for duty before reaching eligibility for service requirement.

See independent auditors' report.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 12 – Post-Employment Benefits (continued)

Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

A member may elect to participate in the Deferred Retirement Option Plan (DROP) upon completion of at least 25 years of creditable service and attainment of at least 55 years of age. Medical claims incurred while in the DROP are not considered liabilities for the purposes of this valuation. Members with a participation date after June 1, 2011, are not eligible for the DROP.

Coverage Options. Retirees and their eligible dependents that are not yet Medicare eligible may elect to continue coverage under the LGHIP sponsored Bluecard PPO. Retirees and their Dependents are required to contribute a portion of the premium for coverage dependent on their date of retirement and age at that date.

Retirees and their eligible dependents that are Medicare eligible may elect to continue coverage under the LGHIP sponsored Bluecard PPO, with Medicare as the primary coverage.

Alternatively, Medicare eligible retirees and their eligible dependents can enroll in an Amwins administered supplemental insurance plan. The Amwins supplemental coverage replaces BlueCard PPO coverage.

Once a retiree allows coverage under the Bluecard PPO Plan to lapse, including an election for Amwins coverage, the retiree cannot be readmitted into the Bluecard PPO coverage.

Participants that retired after December 31, 2012 receive no premium subsidy towards coverage PPO Medical Coverage after Medicare Eligibility Age.

City Premium Subsidies. Retirees of the City electing and maintaining medical coverage through the City are eligible for a premium subsidy. The amount of the subsidy is determined based on age at retirement and date of retirement.

Eligible retirees who accepted Amwins coverage prior to May 1, 2012 are eligible to receive \$200 per month from the City to offset the premiums for coverage. Participants who are not yet Medicare eligible, retired prior to May 1, 2012, and elected to maintain Bluecard PPO coverage are eligible to receive the \$200 per month subsidy after Medicare eligibility.

Plan Assets. No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4, to pay benefits:

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, non-employer contributing entities, the Plan administrator, and Plan members.

CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 12 – Post-Employment Benefits (continued)

Employees Covered by Benefit Terms – As of the valuation date, January 1, 2017, the following employees were covered by the benefit terms:

Active participants	447
Retirees	129
Spouses	<u>45</u>
	<u>621</u>

Total OPEB Liability

The City's total OPEB liability of \$21,186,263 was determined by an actuarial valuation as of the valuation date of January 1, 2017, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year.

Discount rate. The discount rate of 4.18% as of September 30, 2018 was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Actuarial assumptions and other inputs. The actuarial assumptions that determined the total OPEB liability as of September 30, 2018 were based on decrements used in the most recent actuarial valuation of the Employee's Retirement System of Alabama, under which City employees are covered:

Valuation date	January 1, 2017
Measurement date	September 30, 2018
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2000 Mortality for Employees and Healthy Annuitants with generational projection per Scale AA. Employee mortality is projected to valuation year plus 15 years. Annuitant mortality is projected to valuation year plus 7 years.
Actuarial cost method	Entry Age Normal

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CITY OF GADSDEN, ALABAMA

**NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018**

Note 12 – Post-Employment Benefits (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes in Total OPEB Liability	
Balance as of September 30, 2017	\$ 21,791,044
Changes for the year:	
Service cost	498,404
Interest on total OPEB liability	791,004
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(766,950)
Benefit payments	<u>(1,127,239)</u>
Balance as of September 30, 2018	<u>\$ 21,186,263</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, calculated using the discount rate of 4.18%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 23,034,907	\$ 21,186,263	\$ 19,826,571

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 19,240,825	\$ 21,186,263	\$ 23,471,561

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CITY OF GADSDEN, ALABAMA

NOTES TO FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2018

Note 12 – Post-Employment Benefits (continued)

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$949,337. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	1,630,551
Total	<u>\$ -</u>	<u>\$ 1,630,551</u>

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

Year ended September 30:	
2019	\$ (340,071)
2020	(340,071)
2021	(340,071)
2022	(340,071)
2023	(196,347)
Thereafter	(73,920)

Note 13 – Sales Tax Rebate Agreements

From time to time, the City enters into sales tax rebate agreements, generally with property developers, to encourage retail growth. As of the 2018 fiscal year end the City had 2 of these agreements in place that rebate 50% of sales tax collected to the property developer. The agreements range in term from 3 to 15 years. Rebates for the year ended September 30, 2018 totaled \$448,765.

Note 14 – Subsequent Events

The City has evaluated subsequent events through March 15, 2019, the date the financial statements were available to be issued.

CITY OF GADSDEN, ALABAMA

**GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 40,312,500	\$ 40,312,500	\$ 40,429,776	\$ 117,276
Licenses and permits	7,090,500	7,090,500	7,113,955	23,455
Intergovernmental	365,795	365,795	387,291	21,496
Charges for services	1,725,000	1,725,000	2,330,576	605,576
Fines and forfeitures	425,000	425,000	539,945	114,945
Other revenue	348,350	349,350	272,494	(76,856)
Total Revenue	<u>50,267,145</u>	<u>50,268,145</u>	<u>51,074,037</u>	<u>805,892</u>
Expenditures				
Current				
General government	2,373,816	2,515,122	2,624,620	(109,498)
Internal services	3,612,572	3,600,072	3,305,877	294,195
Public safety	21,722,088	21,772,594	20,752,963	1,019,631
Recreation and cultural services	7,004,736	7,041,798	6,729,729	312,069
Public works services	6,072,926	6,159,092	5,878,115	280,977
Urban development	2,248,561	2,241,761	2,060,426	181,335
Nondepartmental	3,638,055	3,633,804	3,431,097	202,707
Intergovernmental	2,810,365	2,810,365	2,737,668	72,697
Capital outlay	<u>2,778,110</u>	<u>5,050,369</u>	<u>3,149,003</u>	<u>1,901,366</u>
Total Expenditures	<u>52,261,229</u>	<u>54,824,977</u>	<u>50,669,498</u>	<u>4,155,479</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,994,084)</u>	<u>(4,556,832)</u>	<u>404,539</u>	<u>4,961,371</u>
Other Financing Sources (Uses)				
Proceeds from the sale of assets	-	-	15,673	15,673
Transfers	<u>(1,359,989)</u>	<u>(1,359,989)</u>	<u>(1,455,399)</u>	<u>(95,410)</u>
Total Other Financing Sources (Uses)	<u>(1,359,989)</u>	<u>(1,359,989)</u>	<u>(1,439,726)</u>	<u>(79,737)</u>
Net Change in Fund Balances	<u>(3,354,073)</u>	<u>(5,916,821)</u>	<u>(1,035,187)</u>	<u>4,881,634</u>
Fund Balance - Beginning of Year	<u>20,652,637</u>	<u>20,652,637</u>	<u>20,652,637</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 17,298,564</u>	<u>\$ 14,735,816</u>	<u>\$ 19,617,450</u>	<u>\$ 4,881,634</u>

CITY OF GADSDEN, ALABAMA

**SCHOOL AD VALOREM TAX FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 1,088,000	\$ 1,088,000	\$ 1,133,729	\$ 45,729
Total Revenue	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,133,729</u>	<u>45,729</u>
Expenditures				
Intergovernmental	1,088,000	1,088,000	1,091,690	(3,690)
Total Expenditures	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,091,690</u>	<u>(3,690)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>42,039</u>	<u>49,419</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>42,039</u>	<u>49,419</u>
Fund Balance - Beginning of Year	<u>483,238</u>	<u>483,238</u>	<u>483,238</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 483,238</u>	<u>\$ 483,238</u>	<u>\$ 525,277</u>	<u>\$ 42,039</u>

CITY OF GADSDEN, ALABAMA

**CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 7,150,000	\$ 7,150,000	\$ 6,989,061	\$ (160,939)
Other	-	-	488,416	488,416
Total Revenue	<u>7,150,000</u>	<u>7,150,000</u>	<u>7,477,477</u>	<u>327,477</u>
Expenditures				
Capital outlay	<u>4,320,921</u>	<u>5,325,476</u>	<u>3,332,905</u>	<u>1,992,571</u>
Total Expenditures	<u>4,320,921</u>	<u>5,325,476</u>	<u>3,332,905</u>	<u>1,992,571</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>2,829,079</u>	<u>1,824,524</u>	<u>4,144,572</u>	<u>2,320,048</u>
Other Financing Sources (Uses)				
Proceeds from capital leases	-	-	1,004,555	1,004,555
Transfers	<u>(5,216,175)</u>	<u>(5,216,175)</u>	<u>(4,868,035)</u>	<u>348,140</u>
Total Other Financing Sources (Uses)	<u>(5,216,175)</u>	<u>(5,216,175)</u>	<u>(3,863,480)</u>	<u>1,352,695</u>
Net Change in Fund Balances	(2,387,096)	(3,391,651)	281,092	3,672,743
Fund Balance - Beginning of Year	<u>9,432,928</u>	<u>9,432,928</u>	<u>9,432,928</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 7,045,832</u>	<u>\$ 6,041,277</u>	<u>\$ 9,714,020</u>	<u>\$ 3,672,743</u>

CITY OF GADSDEN, ALABAMA

**2017-B CAPITAL PROJECTS FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Other	\$ -	\$ -	\$ 450	\$ 450
Total Revenue	-	-	450	450
Expenditures				
Recreational and cultural services	-	50,946	-	50,946
Issuance costs	-	260,189	330,402	(70,213)
Capital outlay	-	22,949,748	16,507,797	6,441,951
Total Expenditures	-	23,260,883	16,838,199	6,422,684
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	(23,260,883)	(16,837,749)	6,423,134
Other Financing Sources (Uses)				
Proceeds from warrants	-	20,615,000	20,615,000	-
Premium on warrants	-	2,716,095	2,716,095	-
Total Other Financing Sources (Uses)	-	23,331,095	23,331,095	-
Net Change in Fund Balances	-	70,212	6,493,346	6,423,134
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ 70,212	\$ 6,493,346	\$ 6,423,134

CITY OF GADSDEN, ALABAMA

**AD VALOREM FIRE TAX FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,095,724	\$ 95,724
Other	-	-	7,657	7,657
Total Revenue	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,103,381</u>	<u>103,381</u>
Expenditures				
Public safety	698,617	772,437	647,097	125,340
Capital outlays	236,020	162,100	99,212	62,888
Total Expenditures	<u>934,637</u>	<u>934,537</u>	<u>746,309</u>	<u>188,228</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>65,363</u>	<u>65,463</u>	<u>357,072</u>	<u>291,609</u>
Other Financing Sources (Uses)				
Transfers	(431,592)	(431,592)	(340,666)	90,926
Total Other Financing Sources (Uses)	<u>(431,592)</u>	<u>(431,592)</u>	<u>(340,666)</u>	<u>90,926</u>
Net Change in Fund Balances	(366,229)	(366,129)	16,406	382,535
Fund Balance - Beginning of Year	<u>748,068</u>	<u>748,068</u>	<u>748,068</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 381,839</u>	<u>\$ 381,939</u>	<u>\$ 764,474</u>	<u>\$ 382,535</u>

CITY OF GADSDEN, ALABAMA

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
For the Year Ended September 30, 2018**

Measurement Date (Sept 30)	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 1,830,169	\$ 1,786,596	\$ 1,731,440	\$ 1,716,524
Interest	9,037,260	8,850,683	8,880,939	8,755,913
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	1,108,983	(843,027)	(2,047,937)	-
Changes of assumptions	-	4,708,481	-	-
Benefit payments, including refunds of employee contributions	(8,178,550)	(8,939,771)	(8,945,504)	(8,873,728)
Transfers among employers	<u>(254,355)</u>	<u>32,697</u>	<u>-</u>	<u>-</u>
Net change in total pension liability	3,543,507	5,595,659	(381,062)	1,598,709
Total pension liability - beginning	<u>120,699,084</u>	<u>115,103,425</u>	<u>115,484,487</u>	<u>113,885,778</u>
Total pension liability - ending (a)	<u>\$ 124,242,591</u>	<u>\$ 120,699,084</u>	<u>\$ 115,103,425</u>	<u>\$ 115,484,487</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 3,808,433	\$ 4,124,581	\$ 3,995,134	\$ 3,938,717
Contributions - member	1,597,925	1,619,074	1,644,309	1,536,995
Net investment income	8,351,218	6,314,534	767,608	7,323,153
Benefit payments, including refunds of employee contributions	(8,178,550)	(8,939,771)	(8,945,504)	(8,873,728)
Transfers among employers	<u>(254,355)</u>	<u>32,697</u>	<u>(462,753)</u>	<u>(142,214)</u>
Net change in plan fiduciary net position	<u>5,324,671</u>	<u>3,151,115</u>	<u>(3,001,206)</u>	<u>3,782,923</u>
Plan net position - beginning	66,736,532	63,585,417	66,586,623	62,803,700
Plan net position - ending (b)	<u>\$ 72,061,203</u>	<u>\$ 66,736,532</u>	<u>\$ 63,585,417</u>	<u>\$ 66,586,623</u>
Net pension liability - ending (a) - (b)	\$ 52,181,388	\$ 53,962,552	\$ 51,518,008	\$ 48,897,864
Plan fiduciary net position as a percentage of the total pension liability	58.00%	55.29%	55.24%	57.66%
Covered payroll *	20,750,678	20,414,069	20,305,580	19,806,420
Net pension liability as a percentage of covered payroll	251.47%	264.34%	253.71%	246.88%

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

* The data provided in the schedule is as of the measurement date of the City's net pension liability, which is as of the beginning of the City's fiscal year.

CITY OF GADSDEN, ALABAMA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended September 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution*	\$ 3,827,590	\$ 3,882,967	\$ 4,161,168	\$ 3,706,876
Contributions in relation to the actuarially determined contribution*	<u>3,827,590</u>	<u>3,882,967</u>	<u>4,161,168</u>	<u>4,081,582</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (374,706)</u>
Covered payroll	\$ 21,282,778	\$ 20,750,678	\$ 20,305,580	\$ 19,806,420
Contributions as a percentage of covered payroll	17.98%	18.71%	20.49%	20.61%

* The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statements.

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

CITY OF GADSDEN, ALABAMA

**EMPLOYEES' MEDICAL INSURANCE PLAN OF THE CITY OF GADSDEN, ALABAMA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended September 30, 2018**

	<u>2018</u>	<u>2017</u>
Total OPEB Liability		
Service cost	\$ 498,404	\$ 541,622
Interest on total OPEB liability	791,004	704,964
Effect of plan changes	-	-
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	(766,950)	(1,428,238)
Benefit payments	<u>(1,127,239)</u>	<u>(1,069,551)</u>
Net change in total OPEB liability	(604,781)	(1,251,203)
Total OPEB liability, beginning	<u>21,791,044</u>	<u>23,042,247</u>
Total OPEB liability, ending	<u>\$ 21,186,263</u>	<u>\$ 21,791,044</u>
Covered payroll	\$ 19,096,233	\$ 18,590,055
Total OPEB liability as a % of covered payroll	110.94%	117.22%

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

CITY OF GADSDEN, ALABAMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2018

Note 1 – Method and Assumptions Used in Calculations of Actuarially Determined Contributions

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 2018 were based on the September 30, 2015 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2017 to September 30, 2018 are as follows:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	23.5 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increase	3.75 – 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

CITY OF GADSDEN, ALABAMA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018

	Special Revenue Funds										
	Total Nonmajor Funds	Special Auto Tax	State Gas Tax	Lodging Tax	Community Development	Library Grants	Tobacco Tax	Drug Task Force	Summer Food Service	Aging Program	Transportation and Planning
Assets											
Cash and cash equivalents	\$ 12,015,728	\$ -	\$ 7,884	\$ 666,540	\$ 45,211	\$ 66,393	\$ 32,879	\$ 35,362	\$ 12,078	\$ 1,062	\$ -
Investments	166,924	-	-	-	-	-	-	-	-	-	-
Receivables											
Interest	1,541	-	-	-	-	-	-	-	-	-	-
Taxes	653,783	9,187	24,183	25,118	-	-	-	-	-	-	-
Intergovernmental	214,239	-	-	-	39,392	-	-	-	-	1,016	36,926
Restricted cash	24,627	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 13,076,842	\$ 9,187	\$ 32,067	\$ 691,658	\$ 84,603	\$ 66,393	\$ 32,879	\$ 35,362	\$ 12,078	\$ 2,078	\$ 36,926
Liabilities, Deferred Inflows of Resources and Fund Balances											
Liabilities											
Accounts payable and other liabilities	\$ 423,106	\$ -	\$ -	\$ -	\$ 7,001	\$ 2,348	\$ -	\$ -	\$ -	932	\$ 23
Accrued payroll and related liabilities	23,381	-	-	-	2,468	641	-	-	-	2,044	3,220
Due to other funds	102,005	4,628	-	-	31,104	-	-	-	-	-	32,920
Total Liabilities	548,492	4,628	-	-	40,573	2,989	-	-	-	2,976	36,163
Deferred Inflows of Resources											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Restricted	4,217,948	4,559	32,067	691,658	44,030	63,404	32,879	35,362	12,078	-	763
Committed	8,334,279	-	-	-	-	-	-	-	-	-	-
Unassigned	(23,877)	-	-	-	-	-	-	-	-	(898)	-
Total Fund Balances	12,528,350	4,559	32,067	691,658	44,030	63,404	32,879	35,362	12,078	(898)	763
Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,076,842	\$ 9,187	\$ 32,067	\$ 691,658	\$ 84,603	\$ 66,393	\$ 32,879	\$ 35,362	\$ 12,078	\$ 2,078	\$ 36,926

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (continued)
 September 30, 2018

	<u>Gadsden Transit Service</u>	<u>Emergency Solutions Grant</u>	<u>Corrections Fund</u>	<u>Economic Development</u>	<u>Law Enforcement</u>	<u>Other Restricted Funds</u>	<u>Miscellaneous Grants</u>	<u>Judicial Adm Fund</u>	<u>Total Special Revenue Funds</u>
Assets									
Cash and cash equivalents	\$ 584,978	\$ -	\$ 11,458	\$ 21,213	\$ 4,882	\$ 2,391,104	\$ -	\$ 63,924	\$ 3,944,968
Investments	-	-	-	-	-	-	-	-	-
Receivables									
Interest	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	37,356	-	-	-	-	95,844
Intergovernmental	50,246	14,651	-	-	6,175	-	32,900	-	181,306
Restricted cash	-	-	-	-	-	-	-	-	-
Total Assets	\$ 635,224	\$ 14,651	\$ 11,458	\$ 58,569	\$ 11,057	\$ 2,391,104	\$ 32,900	\$ 63,924	\$ 4,222,118
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable and other liabilities	\$ 12,675	\$ 34,007	\$ 2,194	\$ -	\$ 950	\$ 47,773	\$ 2,300	\$ -	\$ 110,203
Accrued payroll and related liabilities	15,008	-	-	-	-	-	-	-	23,381
Due to other funds	-	-	-	-	-	-	33,353	-	102,005
Total Liabilities	<u>27,683</u>	<u>34,007</u>	<u>2,194</u>	<u>-</u>	<u>950</u>	<u>47,773</u>	<u>35,653</u>	<u>-</u>	<u>235,589</u>
Deferred Inflows of Resources									
Unavailable revenue - property tax	-	-	-	-	-	-	-	-	-
Fund Balances									
Restricted	607,541	-	9,264	58,569	10,107	2,343,331	-	63,924	4,009,536
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	(19,356)	-	-	-	-	(2,753)	-	(23,007)
Total Fund Balances	<u>607,541</u>	<u>(19,356)</u>	<u>9,264</u>	<u>58,569</u>	<u>10,107</u>	<u>2,343,331</u>	<u>(2,753)</u>	<u>63,924</u>	<u>3,986,529</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 635,224	\$ 14,651	\$ 11,458	\$ 58,569	\$ 11,057	\$ 2,391,104	\$ 32,900	\$ 63,924	\$ 4,222,118

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (continued)
 September 30, 2018

	Debt Service Funds												Capital Leases	Total Debt Service Funds	
	Airport Authority	2012-D Debt Service	2006-A Debt Service	2011 Debt Service	2012-A Debt Service	2012-B Debt Service	2012-C Debt Service	2014-A/ 2017-A Debt Service	2014-B Debt Service	2014-C Debt Service	2014-D Debt Service	2017-B Debt Service			
Assets															
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	6,104	11,211	6,652	-	-	-	1	-	-	189	1	469	24,627	
Total Assets	<u>\$ -</u>	<u>\$ 6,104</u>	<u>\$ 11,211</u>	<u>\$ 6,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 1</u>	<u>\$ 469</u>	<u>\$ 24,627</u>	
Liabilities, Deferred Inflows of Resources and Fund Balances															
Liabilities															
Accounts payable and other liabilities	\$ 870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 870
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870</u>
Deferred Inflows of Resources															
Unavailable revenue - property tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances															
Restricted	-	6,104	11,211	6,652	-	-	-	1	-	-	189	1	469	24,627	
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	(870)	-	-	-	-	-	-	-	-	-	-	-	-	(870)	
Total Fund Balances	<u>(870)</u>	<u>6,104</u>	<u>11,211</u>	<u>6,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>189</u>	<u>1</u>	<u>469</u>	<u>23,757</u>	
Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 6,104</u>	<u>\$ 11,211</u>	<u>\$ 6,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 1</u>	<u>\$ 469</u>	<u>\$ 24,627</u>	

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (continued)
 September 30, 2018

	Capital Projects Funds						Permanent Funds		
	Municipal Capital Improvements Funds	Capital Project Funds	Resurfacing Project 1999	2011-A Capital Project	Capital Improvement Fund II	Total Capital Project Funds	Nell Thomas Library	Library Endowment	Total Permanent Funds
Assets									
Cash and cash equivalents	\$ 2,549,045	\$ 700,728	\$ 215,097	\$ 515,026	\$ 4,075,544	\$ 8,055,440	\$ 13,713	\$ 1,607	\$ 15,320
Investments	-	-	-	-	-	-	142,174	24,750	166,924
Receivables									
Interest	-	-	-	-	-	-	1,507	34	1,541
Taxes	-	-	-	-	557,939	557,939	-	-	-
Intergovernmental	-	32,933	-	-	-	32,933	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 2,549,045</u>	<u>\$ 733,661</u>	<u>\$ 215,097</u>	<u>\$ 515,026</u>	<u>\$ 4,633,483</u>	<u>\$ 8,646,312</u>	<u>\$ 157,394</u>	<u>\$ 26,391</u>	<u>\$ 183,785</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable and other liabilities	\$ -	\$ 17,610	\$ -	\$ -	\$ 294,423	\$ 312,033	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>17,610</u>	<u>-</u>	<u>-</u>	<u>294,423</u>	<u>312,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources									
Unavailable revenue - property tax	-	-	-	-	-	-	-	-	-
Fund Balances									
Restricted	-	-	-	-	-	-	157,394	26,391	183,785
Committed	2,549,045	716,051	215,097	515,026	4,339,060	8,334,279	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>2,549,045</u>	<u>716,051</u>	<u>215,097</u>	<u>515,026</u>	<u>4,339,060</u>	<u>8,334,279</u>	<u>157,394</u>	<u>26,391</u>	<u>183,785</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,549,045</u>	<u>\$ 733,661</u>	<u>\$ 215,097</u>	<u>\$ 515,026</u>	<u>\$ 4,633,483</u>	<u>\$ 8,646,312</u>	<u>\$ 157,394</u>	<u>\$ 26,391</u>	<u>\$ 183,785</u>

CITY OF GADSDEN, ALABAMA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2018

	Special Revenue Funds									
	Total Nonmajor Funds	Special Auto Tax	State Gas Tax	Lodging Tax	Community Development	Library Grants	Tobacco Tax	Drug Task Force	Summer Food Service	Aging Program
Revenue										
Taxes	\$ 8,331,828	\$ -	\$ -	\$ 285,907	\$ -	\$ -	\$ 370,669	\$ -	\$ -	\$ -
Intergovernmental	3,164,006	113,325	450,973	-	1,173,595	86,687	-	-	107,748	12,188
Charges for services	165,742	-	-	-	22,413	-	-	-	-	-
Fines and forfeitures	98,791	-	-	-	-	-	-	-	-	-
Other	414,835	-	-	-	-	-	-	1,047	-	-
Total Revenue	12,175,202	113,325	450,973	285,907	1,196,008	86,687	370,669	1,047	107,748	12,188
Expenditures										
Current										
Internal services	200,000	-	-	-	-	-	-	-	-	-
Public safety	446,797	-	200,000	-	-	-	-	-	-	-
Recreation and cultural services	352,994	-	-	-	-	68,052	-	-	113,044	114,536
Urban development	5,037	-	-	-	5,037	-	-	-	-	-
Intergovernmental	1,553,553	-	-	-	373,507	-	-	-	-	-
Debt service										
Principal	5,349,289	-	-	-	75,000	-	-	-	-	-
Interest and fiscal charges	2,272,308	-	-	-	37,748	-	-	-	-	-
Capital outlays	2,911,502	-	-	-	704,716	-	-	-	-	-
Total Expenditures	13,091,480	-	200,000	-	1,196,008	68,052	-	-	113,044	114,536
Excess (Deficiency) of Revenue Over (Under) Expenditures	(916,278)	113,325	250,973	285,907	-	18,635	370,669	1,047	(5,296)	(102,348)
Other Financing Sources (Uses)										
Proceeds from warrants issued	-	-	-	-	-	-	-	-	-	-
Premiums on warrants issued	-	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	39,655	-	-	-	-	-	-	-	-	-
Transfers	5,646,125	(125,000)	(243,000)	(200,000)	-	-	(400,000)	-	-	102,970
Total Other Financing Sources (Uses)	5,685,780	(125,000)	(243,000)	(200,000)	-	-	(400,000)	-	-	102,970
Net Change in Fund Balances	4,769,502	(11,675)	7,973	85,907	-	18,635	(29,331)	1,047	(5,296)	622
Fund Balances - Beginning of Year	7,758,848	16,234	24,094	605,751	44,030	44,769	62,210	34,315	17,374	(1,520)
Fund Balances - End of Year	\$ 12,528,350	\$ 4,559	\$ 32,067	\$ 691,658	\$ 44,030	\$ 63,404	\$ 32,879	\$ 35,362	\$ 12,078	\$ (898)

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES (continued)
 For the Year Ended September 30, 2018

	Special Revenue Funds									Total Special Revenue Funds
	Transportation and Planning	Gadsden Transit Grants	Emergency Solutions Grant	Corrections Fund	Economic Development	Law Enforcement	Other Restricted Funds	Miscellaneous Grants	Judicial Adm Fund	
Revenue										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 499,851	\$ -	\$ 680,664	\$ -	\$ -	\$ 1,837,091
Intergovernmental	134,530	715,326	53,612	-	-	26,710	-	106,914	-	2,981,608
Charges for services	-	69,329	-	-	-	-	74,000	-	-	165,742
Fines and forfeitures	-	-	-	55,354	-	-	5,285	-	38,152	98,791
Other	-	-	-	-	-	-	97,445	-	-	98,492
Total Revenue	<u>134,530</u>	<u>784,655</u>	<u>53,612</u>	<u>55,354</u>	<u>499,851</u>	<u>26,710</u>	<u>857,394</u>	<u>106,914</u>	<u>38,152</u>	<u>5,181,724</u>
Expenditures										
Current										
Internal services	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	78,169	-	38,585	91,344	18,278	-	426,376
Recreation and cultural services	-	-	-	-	-	-	57,362	-	-	352,994
Urban development	-	-	-	-	-	-	-	-	-	5,037
Intergovernmental	168,163	931,067	72,968	-	-	-	7,848	-	-	1,553,553
Debt service										
Principal	-	-	-	-	-	-	-	-	-	75,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	37,748
Capital outlays	-	328,207	-	-	39,910	-	421,313	88,636	-	1,582,782
Total Expenditures	<u>168,163</u>	<u>1,259,274</u>	<u>72,968</u>	<u>78,169</u>	<u>39,910</u>	<u>38,585</u>	<u>577,867</u>	<u>106,914</u>	<u>-</u>	<u>4,033,490</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(33,633)</u>	<u>(474,619)</u>	<u>(19,356)</u>	<u>(22,815)</u>	<u>459,941</u>	<u>(11,875)</u>	<u>279,527</u>	<u>-</u>	<u>38,152</u>	<u>1,148,234</u>
Other Financing Sources (Uses)										
Proceeds from warrants issued	-	-	-	-	-	-	-	-	-	-
Premiums on warrants issued	-	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	39,655	-	-	-	-	39,655
Transfers	33,633	500,820	-	-	(500,000)	-	-	-	-	(830,577)
Total Other Financing Sources (Uses)	<u>33,633</u>	<u>500,820</u>	<u>-</u>	<u>-</u>	<u>(460,345)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(790,922)</u>
Net Change in Fund Balances	<u>-</u>	<u>26,201</u>	<u>(19,356)</u>	<u>(22,815)</u>	<u>(404)</u>	<u>(11,875)</u>	<u>279,527</u>	<u>-</u>	<u>38,152</u>	<u>357,312</u>
Fund Balances - Beginning of Year	<u>763</u>	<u>581,340</u>	<u>-</u>	<u>32,079</u>	<u>58,973</u>	<u>21,982</u>	<u>2,063,804</u>	<u>(2,753)</u>	<u>25,772</u>	<u>3,629,217</u>
Fund Balances - End of Year	<u>\$ 763</u>	<u>\$ 607,541</u>	<u>\$ (19,356)</u>	<u>\$ 9,264</u>	<u>\$ 58,569</u>	<u>\$ 10,107</u>	<u>\$ 2,343,331</u>	<u>\$ (2,753)</u>	<u>\$ 63,924</u>	<u>\$ 3,986,529</u>

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES (continued)
 For the Year Ended September 30, 2018

	Debt Service Funds												Total Debt Service Funds	
	Airport Authority	2012-D Debt Service	2006-A Debt Service	2011 Debt Service	2012-A Debt Service	2012-B Debt Service	2012-C Debt Service	2014-A/ 2017-A Debt Service	2014-B Debt Service	2014-C Debt Service	2014-D Debt Service	2017-B Debt Service		Capital Leases
Revenue														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Expenditures														
Current														
Internal services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recreation and cultural services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Urban development	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt service														
Principal	-	1,340,000	50,000	340,000	1,015,000	335,000	455,000	222,255	45,000	10,000	165,000	700,000	5,274,289	
Interest and fiscal charges	88,514	88,605	25,254	118,933	531,267	103,491	196,585	76,559	274,419	75,316	34,635	597,412	2,234,560	
Capital outlays	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	<u>88,514</u>	<u>1,428,605</u>	<u>75,254</u>	<u>458,933</u>	<u>1,546,267</u>	<u>438,491</u>	<u>651,585</u>	<u>298,814</u>	<u>319,419</u>	<u>85,316</u>	<u>199,635</u>	<u>1,297,412</u>	<u>7,508,849</u>	
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(88,514)</u>	<u>(1,428,605)</u>	<u>(75,254)</u>	<u>(458,933)</u>	<u>(1,546,267)</u>	<u>(438,491)</u>	<u>(651,585)</u>	<u>(298,814)</u>	<u>(319,419)</u>	<u>(85,316)</u>	<u>(199,635)</u>	<u>(1,297,412)</u>	<u>(7,508,849)</u>	
Other Financing Sources (Uses)														
Proceeds from warrants issued	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premiums on warrants issued	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	71,222	1,428,605	75,923	458,933	1,546,267	438,491	651,585	212,684	319,419	85,316	199,652	1,297,413	7,406,115	
Total Other Financing Sources (Uses)	<u>71,222</u>	<u>1,428,605</u>	<u>75,923</u>	<u>458,933</u>	<u>1,546,267</u>	<u>438,491</u>	<u>651,585</u>	<u>212,684</u>	<u>319,419</u>	<u>85,316</u>	<u>199,652</u>	<u>1,297,413</u>	<u>7,406,115</u>	
Net Change in Fund Balances	(17,292)	-	669	-	-	-	-	(86,130)	-	-	17	1	1	(102,734)
Fund Balances - Beginning of Year	<u>16,422</u>	<u>6,104</u>	<u>10,542</u>	<u>6,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,131</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>-</u>	<u>468</u>	<u>126,491</u>
Fund Balances - End of Year	<u>\$ (870)</u>	<u>\$ 6,104</u>	<u>\$ 11,211</u>	<u>\$ 6,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 1</u>	<u>\$ 469</u>	<u>\$ 23,757</u>

CITY OF GADSDEN, ALABAMA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES (continued)
 For the Year Ended September 30, 2018

	Capital Projects Funds					Permanent Funds			
	Municipal Capital Improvements Funds	Capital Project Funds	Resurfacing Project 1999	2011-A Capital Project	Capital Improvement Fund II	Total Capital Project Funds	Nell Thomas Library	Library Endowment	Total Permanent Funds
Revenue									
Taxes	\$ -	\$ -	\$ -	\$ -	6,494,737	\$ 6,494,737	\$ -	\$ -	\$ -
Intergovernmental	-	182,398	-	-	-	182,398	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Other	314,683	-	-	-	-	314,683	1,305	355	1,660
Total Revenue	<u>314,683</u>	<u>182,398</u>	<u>-</u>	<u>-</u>	<u>6,494,737</u>	<u>6,991,818</u>	<u>1,305</u>	<u>355</u>	<u>1,660</u>
Expenditures									
Current									
General government	-	-	-	-	200,000	200,000	-	-	-
Public safety	-	20,421	-	-	-	20,421	-	-	-
Recreation and cultural services	-	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlays	-	169,115	501,341	-	658,264	1,328,720	-	-	-
Total Expenditures	<u>-</u>	<u>189,536</u>	<u>501,341</u>	<u>-</u>	<u>858,264</u>	<u>1,549,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>314,683</u>	<u>(7,138)</u>	<u>(501,341)</u>	<u>-</u>	<u>5,636,473</u>	<u>5,442,677</u>	<u>1,305</u>	<u>355</u>	<u>1,660</u>
Other Financing Sources (Uses)									
Proceeds from warrants issued	-	-	-	-	-	-	-	-	-
Premiums on warrants issued	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Transfers	-	-	368,000	-	(1,297,413)	(929,413)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>368,000</u>	<u>-</u>	<u>(1,297,413)</u>	<u>(929,413)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>314,683</u>	<u>(7,138)</u>	<u>(133,341)</u>	<u>-</u>	<u>4,339,060</u>	<u>4,513,264</u>	<u>1,305</u>	<u>355</u>	<u>1,660</u>
Fund Balances - Beginning of Year	<u>2,234,362</u>	<u>723,189</u>	<u>348,438</u>	<u>515,026</u>	<u>-</u>	<u>3,821,015</u>	<u>156,089</u>	<u>26,036</u>	<u>182,125</u>
Fund Balances - End of Year	<u>\$ 2,549,045</u>	<u>\$ 716,051</u>	<u>\$ 215,097</u>	<u>\$ 515,026</u>	<u>\$ 4,339,060</u>	<u>\$ 8,334,279</u>	<u>\$ 157,394</u>	<u>\$ 26,391</u>	<u>\$ 183,785</u>

CITY OF GADSDEN, ALABAMA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	As of September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 17,203,668	\$ 17,388,885
Receivables, net of allowance for uncollectibles		
Taxes	5,505,167	5,580,222
Intergovernmental	63,132	1,000
Other	436	10,388
Due from other funds	824,224	1,259,185
Inventories	<u>266,225</u>	<u>256,094</u>
Total Assets	<u>\$ 23,862,852</u>	<u>\$ 24,495,774</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 1,117,309	\$ 712,649
Accrued payroll and related liabilities	<u>760,733</u>	<u>761,710</u>
Total Liabilities	<u>1,878,042</u>	<u>1,474,359</u>
Deferred Inflows of Resources		
Unavailable revenue - property tax	<u>2,367,360</u>	<u>2,368,778</u>
Fund Balances		
Nonspendable	266,661	266,482
Committed	3,222,534	2,795,072
Unassigned	<u>16,128,255</u>	<u>17,591,083</u>
Total Fund Balances	<u>19,617,450</u>	<u>20,652,637</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,862,852</u>	<u>\$ 24,495,774</u>

CITY OF GADSDEN, ALABAMA

**GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES**

	For the Years Ended September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 40,429,776	\$ 40,339,853
Licenses and permits	7,113,955	7,134,787
Intergovernmental	387,291	374,010
Charges for services	2,330,576	2,151,934
Fines and forfeitures	539,945	424,243
Other revenue	<u>272,494</u>	<u>307,559</u>
Total Revenue	<u>51,074,037</u>	<u>50,732,386</u>
Expenditures		
Current operations		
General government	2,624,620	2,318,050
Internal services	3,305,877	3,132,984
Public safety	20,752,963	20,464,406
Recreation and cultural services	6,729,729	6,545,854
Public works services	5,878,115	5,549,204
Urban development	2,060,426	2,045,830
Non-departmental	3,431,097	3,458,939
Intergovernmental	2,737,668	2,544,535
Capital outlays	<u>3,149,003</u>	<u>1,925,946</u>
Total Expenditures	<u>50,669,498</u>	<u>47,985,748</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>404,539</u>	<u>2,746,638</u>
Other Financing Sources (Uses)		
Proceeds from sale of assets	15,673	73,798
Transfers	<u>(1,455,399)</u>	<u>(1,540,740)</u>
Total Other Financing Sources (Uses)	<u>(1,439,726)</u>	<u>(1,466,942)</u>
Net Change in Fund Balances	(1,035,187)	1,279,696
Fund Balances, Beginning of Year	<u>20,652,637</u>	<u>19,372,941</u>
Fund Balances, End of Year	<u>\$ 19,617,450</u>	<u>\$ 20,652,637</u>

CITY OF GADSDEN, ALABAMA

SPECIAL AUTO TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ -	\$ 6,470
Receivables - taxes	<u>9,187</u>	<u>9,764</u>
Total Assets	<u>\$ 9,187</u>	<u>\$ 16,234</u>
 Liabilities and Fund Balances		
Liabilities		
Due to other funds	<u>\$ 4,628</u>	<u>\$ -</u>
 Fund Balances		
Restricted	<u>4,559</u>	<u>16,234</u>
Total Liabilities and Fund Balances	<u>\$ 9,187</u>	<u>\$ 16,234</u>

CITY OF GADSDEN, ALABAMA
SPECIAL AUTO TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	2018	2017
Revenue			
Intergovernmental		\$ 113,325	\$ 115,346
Excess (Deficiency) of Revenue Over (Under) Expenditures		113,325	115,346
Other Financing Sources (Uses)			
Transfers		(125,000)	(120,000)
Net Change in Fund Balances		(11,675)	(4,654)
Fund Balances - Beginning of Year		16,234	20,888
Fund Balances - End of Year		\$ 4,559	\$ 16,234

CITY OF GADSDEN, ALABAMA

SPECIAL AUTO TAX FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 115,000	\$ 113,325	\$ (1,675)
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>115,000</u>	<u>113,325</u>	<u>(1,675)</u>
Other Financing Sources (Uses)			
Transfers	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net Change in Fund Balances	(10,000)	(11,675)	(1,675)
Fund Balances - Beginning of Year	<u>16,234</u>	<u>16,234</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 6,234</u>	<u>\$ 4,559</u>	<u>\$ (1,675)</u>

CITY OF GADSDEN, ALABAMA

STATE GAS TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 7,884	\$ 67
Receivables - taxes	<u>24,183</u>	<u>24,027</u>
Total Assets	<u>\$ 32,067</u>	<u>\$ 24,094</u>
 Liabilities and Fund Balances		
 Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
 Fund Balances		
Restricted	<u>32,067</u>	<u>24,094</u>
Total Liabilities and Fund Balances	<u>\$ 32,067</u>	<u>\$ 24,094</u>

CITY OF GADSDEN, ALABAMA

STATE GAS TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ <u>450,973</u>	\$ <u>451,635</u>
Expenditures		
Public safety	<u>200,000</u>	<u>250,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>250,973</u>	<u>201,635</u>
Other Financing Sources (Uses)		
Transfers	<u>(243,000)</u>	<u>(223,800)</u>
Net Change in Fund Balances	7,973	(22,165)
Fund Balances - Beginning of Year	<u>24,094</u>	<u>46,259</u>
Fund Balances - End of Year	<u>\$ 32,067</u>	<u>\$ 24,094</u>

CITY OF GADSDEN, ALABAMA

**STATE GAS TAX FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 443,000	\$ 450,973	\$ 7,973
Expenditures			
Public safety	200,000	200,000	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>243,000</u>	<u>250,973</u>	<u>7,973</u>
Other Financing Sources (Uses)			
Transfers	<u>(243,000)</u>	<u>(243,000)</u>	<u>-</u>
Net Change in Fund Balances	-	7,973	7,973
Fund Balances - Beginning of Year	<u>24,094</u>	<u>24,094</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 24,094</u>	<u>\$ 32,067</u>	<u>\$ 7,973</u>

CITY OF GADSDEN, ALABAMA

LODGING TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 666,540	\$ 578,897
Receivables - taxes	<u>25,118</u>	<u>26,854</u>
Total Assets	<u>\$ 691,658</u>	<u>\$ 605,751</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	<u>\$ 691,658</u>	<u>\$ 605,752</u>
Total Liabilities and Fund Balances	<u>\$ 691,658</u>	<u>\$ 605,752</u>

CITY OF GADSDEN, ALABAMA

**LODGING TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 285,907	\$ 272,105
Other	<u>-</u>	<u>-</u>
Total Revenue	<u>285,907</u>	<u>272,105</u>
Expenditures		
Intergovernmental	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>285,907</u>	<u>272,105</u>
Other Financing Sources (Uses)		
Transfers	<u>(200,000)</u>	<u>(200,000)</u>
Net Change in Fund Balances	85,907	72,105
Fund Balances - Beginning of Year	<u>605,751</u>	<u>533,646</u>
Fund Balances - End of Year	<u>\$ 691,658</u>	<u>\$ 605,751</u>

CITY OF GADSDEN, ALABAMA

LODGING TAX FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 225,000	\$ 285,907	\$ 60,907
Other	-	-	-
Total Revenue	<u>225,000</u>	<u>285,907</u>	<u>60,907</u>
Expenditures			
Intergovernmental	-	-	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>225,000</u>	<u>285,907</u>	<u>60,907</u>
Other Financing Sources (Uses)			
Transfers	<u>(200,000)</u>	<u>(200,000)</u>	-
Net Change in Fund Balances	25,000	85,907	60,907
Fund Balances - Beginning of Year	<u>605,751</u>	<u>605,751</u>	-
Fund Balances - End of Year	<u>\$ 630,751</u>	<u>\$ 691,658</u>	<u>\$ 60,907</u>

CITY OF GADSDEN, ALABAMA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 45,211	\$ 47,250
Receivables - intergovernmental	<u>39,392</u>	<u>34,402</u>
Total Assets	<u>\$ 84,603</u>	<u>\$ 81,652</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 7,001	\$ 104
Accrued payroll and related liabilities	2,468	2,082
Due to other funds	<u>31,104</u>	<u>35,434</u>
Total Liabilities	<u>40,573</u>	<u>37,620</u>
Fund Balances		
Restricted	<u>44,030</u>	<u>44,030</u>
Total Liabilities and Fund Balances	<u>\$ 84,603</u>	<u>\$ 81,650</u>

CITY OF GADSDEN, ALABAMA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$1,173,595	\$ 882,850
Charges for services	22,413	38,582
Total Revenue	<u>1,196,008</u>	<u>921,432</u>
Expenditures		
Urban development	5,037	4,868
Intergovernmental	373,507	254,804
Debt service - principal	75,000	75,000
Debt service - interest and fiscal charges	37,748	41,723
Capital outlay	<u>704,716</u>	<u>545,037</u>
Total Expenditures	<u>1,196,008</u>	<u>921,432</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u> -</u>	<u> -</u>
Other Financing Sources (Uses)		
Transfers	<u> -</u>	<u> -</u>
Net Change in Fund Balances	<u> -</u>	<u> -</u>
Fund Balances - Beginning of Year	<u>44,030</u>	<u>44,030</u>
Fund Balances - End of Year	<u>\$ 44,030</u>	<u>\$ 44,030</u>

CITY OF GADSDEN, ALABAMA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 960,148	\$1,173,595	\$ 213,447
Charges for services	-	22,413	22,413
Total Revenue	<u>960,148</u>	<u>1,196,008</u>	<u>235,860</u>
Expenditures			
Urban development	-	5,037	(5,037)
Intergovernmental	443,845	373,507	70,338
Debt service - principal	75,000	75,000	-
Debt service - interest and fiscal charges	39,735	37,748	1,987
Capital outlay	913,113	704,716	208,397
Total Expenditures	<u>1,471,693</u>	<u>1,196,008</u>	<u>275,685</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(511,545)</u>	<u>-</u>	<u>511,545</u>
Other Financing Sources (Uses)			
Transfers	-	-	-
Net Change in Fund Balances	(511,545)	-	(511,545)
Fund Balances - Beginning of Year	<u>44,030</u>	<u>44,030</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (467,515)</u>	<u>\$ 44,030</u>	<u>\$ 511,545</u>

CITY OF GADSDEN, ALABAMA

SCHOOL AD VALOREM TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,188,653	\$ 1,143,061
Receivables - taxes	<u>1,341,069</u>	<u>1,333,521</u>
Total Assets	<u>\$ 2,529,722</u>	<u>\$ 2,476,582</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Due to component unit	\$ 705,415	\$ 672,762
Total Liabilities	<u>705,415</u>	<u>672,762</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	<u>1,299,030</u>	<u>1,320,582</u>
Fund Balances		
Restricted	<u>525,277</u>	<u>483,238</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,529,722</u>	<u>\$ 2,476,582</u>

CITY OF GADSDEN, ALABAMA
SCHOOL AD VALOREM TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	September 30,
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 1,133,729	\$ 1,071,976
Other	-	-
Total Revenue	<u>1,133,729</u>	<u>1,071,976</u>
Expenditures		
Intergovernmental	<u>1,091,690</u>	<u>1,059,037</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>42,039</u>	<u>12,939</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Net Change in Fund Balances	42,039	12,939
Fund Balances - Beginning of Year	<u>483,238</u>	<u>470,299</u>
Fund Balances - End of Year	<u>\$ 525,277</u>	<u>\$ 483,238</u>

CITY OF GADSDEN, ALABAMA
SCHOOL AD VALOREM TAX FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 1,088,000	\$ 1,133,729	\$ 45,729
Expenditures			
Intergovernmental	1,088,000	1,091,690	(3,690)
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	42,039	42,039
Other Financing Sources (Uses)			
Transfers	-	-	-
Net Change in Fund Balances	-	42,039	42,039
Fund Balances - Beginning of Year	483,238	483,238	-
Fund Balances - End of Year	<u>\$ 483,238</u>	<u>\$ 525,277</u>	<u>\$ 42,039</u>

CITY OF GADSDEN, ALABAMA

AD VALOREM - FIRE TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 771,590	\$ 752,792
Receivables - taxes	<u>1,225,719</u>	<u>1,196,802</u>
Total Assets	<u>\$ 1,997,309</u>	<u>\$ 1,949,594</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 18,858	\$ 17,976
Total Liabilities	<u>18,858</u>	<u>17,976</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	<u>1,213,977</u>	<u>1,183,550</u>
Fund Balances		
Restricted	764,270	734,028
Committed	<u>204</u>	<u>14,040</u>
	<u>764,474</u>	<u>748,068</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,997,309</u>	<u>\$ 1,949,594</u>

CITY OF GADSDEN, ALABAMA
AD VALOREM - FIRE TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 1,095,724	\$ 1,041,879
Other	7,657	25,560
Total Revenue	<u>1,103,381</u>	<u>1,067,439</u>
Expenditures		
Public safety	647,097	560,227
Capital outlay	<u>99,212</u>	<u>79,927</u>
Total Expenditures	<u>746,309</u>	<u>640,154</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>357,072</u>	<u>427,285</u>
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	-	5,106
Transfers	<u>(340,666)</u>	<u>(393,592)</u>
Total other financing sources (uses)	<u>(340,666)</u>	<u>(388,486)</u>
Net Change in Fund Balances	16,406	38,799
Fund Balances - Beginning of Year	<u>748,068</u>	<u>709,269</u>
Fund Balances - End of Year	<u>\$ 764,474</u>	<u>\$ 748,068</u>

CITY OF GADSDEN, ALABAMA

**AD VALOREM - FIRE TAX FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 1,000,000	\$ 1,095,724	\$ 95,724
Other	-	7,657	7,657
Total Revenue	<u>1,000,000</u>	<u>1,103,381</u>	<u>103,381</u>
Expenditures			
Public safety	772,437	647,097	125,340
Capital outlay	<u>162,100</u>	<u>99,212</u>	<u>62,888</u>
Total Expenditures	<u>934,537</u>	<u>746,309</u>	<u>188,228</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>65,463</u>	<u>357,072</u>	<u>291,609</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	5,106
Transfers	<u>(431,592)</u>	<u>(340,666)</u>	<u>90,926</u>
Total other financing sources (uses)	<u>(431,592)</u>	<u>(340,666)</u>	<u>96,032</u>
Net Change in Fund Balances	(366,129)	16,406	387,641
Fund Balances - Beginning of Year	<u>748,068</u>	<u>748,068</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 381,939</u>	<u>\$ 764,474</u>	<u>\$ 382,535</u>

CITY OF GADSDEN, ALABAMA

LIBRARY GRANTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 66,393	\$ 45,418
Total Assets	<u>\$ 66,393</u>	<u>\$ 45,418</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 2,348	\$ 9
Accrued payroll and related liabilities	641	640
Total Liabilities	<u>2,989</u>	<u>649</u>
Fund Balances		
Restricted	<u>63,404</u>	<u>44,769</u>
Total Liabilities and Fund Balances	<u>\$ 66,393</u>	<u>\$ 45,418</u>

CITY OF GADSDEN, ALABAMA

LIBRARY GRANTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ 86,687	\$ 87,085
Expenditures		
Recreation and cultural services	68,052	85,859
Capital outlay	<u>-</u>	<u>7,099</u>
Total Expenditures	<u>68,052</u>	<u>92,958</u>
Net Change in Fund Balances	18,635	(5,873)
Fund Balances - Beginning of Year	<u>44,769</u>	<u>50,642</u>
Fund Balances - End of Year	<u>\$ 63,404</u>	<u>\$ 44,769</u>

CITY OF GADSDEN, ALABAMA

LIBRARY GRANTS FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 83,381	\$ 86,687	\$ 3,306
Charges for services	-	-	-
Total Revenue	<u>83,381</u>	<u>86,687</u>	<u>3,306</u>
Expenditures			
Recreation and cultural services	123,658	68,052	55,606
Capital outlay	-	-	-
Total Expenditures	<u>123,658</u>	<u>68,052</u>	<u>55,606</u>
Net Change in Fund Balances	(40,277)	18,635	58,912
Fund Balances - Beginning of Year	<u>44,769</u>	<u>44,769</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 4,492</u>	<u>\$ 63,404</u>	<u>\$ 58,912</u>

CITY OF GADSDEN, ALABAMA
TOBACCO TAX FUND
COMPARATIVE BALANCE SHEETS

	September 30,	2018	2017
Assets			
Cash and cash equivalents		\$ 32,879	\$ 62,210
Total Assets		<u>\$ 32,879</u>	<u>\$ 62,210</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds		\$ -	\$ -
Fund Balances			
Restricted		<u>32,879</u>	<u>62,210</u>
Total fund balances		<u>32,879</u>	<u>62,210</u>
Total Liabilities and Fund Balances		<u>\$ 32,879</u>	<u>\$ 62,210</u>

CITY OF GADSDEN, ALABAMA
TOBACCO TAX FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 370,669	\$ 391,796
Excess (Deficiency) of Revenue Over (Under) Expenditures	370,669	391,796
Other Financing Sources (Uses)		
Transfers	<u>(400,000)</u>	<u>(375,000)</u>
Net Change in Fund Balances	(29,331)	16,796
Fund Balances - Beginning of Year	<u>62,210</u>	<u>45,414</u>
Fund Balances - End of Year	<u>\$ 32,879</u>	<u>\$ 62,210</u>

CITY OF GADSDEN, ALABAMA

TOBACCO TAX FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 380,000	\$ 370,669	\$ (9,331)
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(20,000)</u>	<u>(29,331)</u>	<u>(9,331)</u>
Other Financing Sources (Uses)			
Transfers	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net Change in Fund Balances	(20,000)	(29,331)	(9,331)
Fund Balances - Beginning of Year	<u>62,210</u>	<u>62,210</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 42,210</u>	<u>\$ 32,879</u>	<u>\$ (9,331)</u>

CITY OF GADSDEN, ALABAMA

DRUG TASK FORCE SEIZURE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 35,362	\$ 34,316
Total Assets	<u>\$ 35,362</u>	<u>\$ 34,316</u>
Liabilities and Fund Balances		
Accounts payable and other liabilities	\$ -	\$ 1
Fund Balances		
Restricted	<u>35,362</u>	<u>34,315</u>
Total Liabilities and Fund Balances	<u>\$ 35,362</u>	<u>\$ 34,316</u>

CITY OF GADSDEN, ALABAMA
DRUG TASK FORCE SEIZURE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ 1,047	\$ -
Expenditures		
Public safety	-	67
Net Change in Fund Balances	1,047	(67)
Fund Balances - Beginning of Year	34,315	34,382
Fund Balances - End of Year	\$ 35,362	\$ 34,315

CITY OF GADSDEN, ALABAMA
DRUG TASK FORCE SEIZURE FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Other	\$ -	\$ 1,047	\$ 1,047
Expenditures			
Public safety	-	-	-
Net Change in Fund Balances	-	1,047	1,047
Fund Balances - Beginning of Year	<u>34,315</u>	<u>34,315</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 34,315</u>	<u>\$ 35,362</u>	<u>\$ 1,047</u>

CITY OF GADSDEN, ALABAMA
SUMMER FOOD SERVICE GRANT FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 12,078	\$ 17,374
Total Assets	<u>\$ 12,078</u>	<u>\$ 17,374</u>
Liabilities and Fund Balances		
Liabilities		
Due to other funds	\$ -	\$ -
Fund Balances		
Restricted	<u>12,078</u>	<u>17,374</u>
Total Liabilities and Fund Balances	<u>\$ 12,078</u>	<u>\$ 17,374</u>

CITY OF GADSDEN, ALABAMA
SUMMER FOOD SERVICE GRANT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ <u>107,748</u>	\$ <u>119,657</u>
Expenditures		
Recreation and cultural services	<u>113,044</u>	<u>120,478</u>
Net Change in Fund Balances	(5,296)	(821)
Fund Balances - Beginning of Year	<u>17,374</u>	<u>18,195</u>
Fund Balances - End of Year	<u>\$ 12,078</u>	<u>\$ 17,374</u>

CITY OF GADSDEN, ALABAMA

**SUMMER FOOD SERVICE GRANT FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 131,928	\$ 107,748	\$ (24,180)
Expenditures			
Recreation and cultural services	<u>131,927</u>	<u>113,044</u>	<u>18,883</u>
Net Change in Fund Balances	1	(5,296)	(5,297)
Fund Balances - Beginning of Year	<u>17,374</u>	<u>17,374</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 17,375</u>	<u>\$ 12,078</u>	<u>\$ (5,297)</u>

CITY OF GADSDEN, ALABAMA

AGING PROGRAM GRANT FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,062	\$ -
Receivables - intergovernmental	<u>1,016</u>	<u>1,127</u>
Total Assets	<u>\$ 2,078</u>	<u>\$ 1,127</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 932	\$ 654
Accrued payroll and related liabilities	<u>2,044</u>	<u>1,992</u>
Total Liabilities	<u>2,976</u>	<u>2,646</u>
Fund Balances		
Restricted	<u>(898)</u>	<u>(1,520)</u>
Total Liabilities and Fund Balances	<u>\$ 2,078</u>	<u>\$ 1,126</u>

CITY OF GADSDEN, ALABAMA
AGING PROGRAM GRANT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ <u>12,188</u>	\$ <u>12,706</u>
Expenditures		
Recreation and cultural services	<u>114,536</u>	<u>109,956</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(102,348)</u>	<u>(97,250)</u>
Other Financing Sources (Uses)		
Transfers	<u>102,970</u>	<u>93,297</u>
Net Change in Fund Balances	622	(3,953)
Fund Balances - Beginning of Year	<u>(1,520)</u>	<u>2,433</u>
Fund Balances - End of Year	<u><u>\$ (898)</u></u>	<u><u>\$ (1,520)</u></u>

CITY OF GADSDEN, ALABAMA
AGING PROGRAM GRANT FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 11,613	\$ 12,188	\$ 575
Expenditures			
Recreation and cultural services	114,637	114,536	101
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(103,024)</u>	<u>(102,348)</u>	<u>676</u>
Other Financing Sources (Uses)			
Transfers	-	102,970	102,970
Net Change in Fund Balances	(103,024)	622	103,646
Fund Balances - Beginning of Year	<u>(1,520)</u>	<u>(1,520)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (104,544)</u>	<u>\$ (898)</u>	<u>\$ 103,646</u>

CITY OF GADSDEN, ALABAMA

**TRANSPORTATION AND PLANNING GRANTS FUND
COMPARATIVE BALANCE SHEETS**

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Receivables - intergovernmental	\$ 36,926	\$ 35,223
Total Assets	<u>\$ 36,926</u>	<u>\$ 35,223</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 23	\$ 21
Accrued payroll and related liabilities	3,220	2,900
Due to other funds	<u>32,920</u>	<u>31,541</u>
Total Liabilities	<u>36,163</u>	<u>34,462</u>
Fund Balances		
Restricted	<u>763</u>	<u>763</u>
Total Liabilities and Fund Balances	<u>\$ 36,926</u>	<u>\$ 35,225</u>

CITY OF GADSDEN, ALABAMA
TRANSPORTATION AND PLANNING GRANTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	2017
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ <u>134,530</u>	\$ <u>122,319</u>
Expenditures		
Intergovernmental	<u>168,163</u>	<u>152,897</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(33,633)</u>	<u>(30,578)</u>
Other Financing Sources (Uses)		
Transfers	<u>33,633</u>	<u>30,533</u>
Net Change in Fund Balances	-	(45)
Fund Balances - Beginning of Year	<u>763</u>	<u>808</u>
Fund Balances - End of Year	<u>\$ 763</u>	<u>\$ 763</u>

CITY OF GADSDEN, ALABAMA

**TRANSPORTATION AND PLANNING GRANTS FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 156,170	\$ 134,530	\$ (21,640)
Expenditures			
Intergovernmental	198,263	168,163	30,100
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(42,093)</u>	<u>(33,633)</u>	<u>8,460</u>
Other Financing Sources (Uses)			
Transfers	-	33,633	33,633
Net Change in Fund Balances	(42,093)	-	42,093
Fund Balances - Beginning of Year	<u>763</u>	<u>763</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (41,330)</u>	<u>\$ 763</u>	<u>\$ 42,093</u>

CITY OF GADSDEN, ALABAMA

GADSDEN TRANSIT GRANTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 584,978	\$ 549,777
Receivables - intergovernmental	<u>50,246</u>	<u>53,105</u>
Total Assets	<u>\$ 635,224</u>	<u>\$ 602,882</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 12,675	\$ 8,584
Accrued payroll and related liabilities	<u>15,008</u>	<u>12,958</u>
Total Liabilities	<u>27,683</u>	<u>21,542</u>
Fund Balances		
Restricted	<u>607,541</u>	<u>581,340</u>
Total Liabilities and Fund Balances	<u>\$ 635,224</u>	<u>\$ 602,882</u>

CITY OF GADSDEN, ALABAMA
GADSDEN TRANSIT GRANTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ 715,326	\$ 435,313
Charges for services	69,329	73,064
Total Revenue	<u>784,655</u>	<u>508,377</u>
Expenditures		
Intergovernmental	931,067	905,881
Capital outlay	<u>328,207</u>	-
Total Expenditures	<u>1,259,274</u>	<u>905,881</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(474,619)</u>	<u>(397,504)</u>
Other Financing Sources (Uses)		
Transfers	<u>500,820</u>	<u>524,507</u>
Net Change in Fund Balances	26,201	127,003
Fund Balances - Beginning of Year	<u>581,340</u>	<u>454,337</u>
Fund Balances - End of Year	<u>\$ 607,541</u>	<u>\$ 581,340</u>

CITY OF GADSDEN, ALABAMA

GADSDEN TRANSIT GRANTS FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 883,079	\$ 715,326	\$ (167,753)
Charges for services	70,000	69,329	(671)
Total Revenue	<u>953,079</u>	<u>784,655</u>	<u>(168,424)</u>
Expenditures			
Intergovernmental	1,038,241	931,067	107,174
Capital outlay	<u>1,287,049</u>	<u>328,207</u>	<u>958,842</u>
Total Expenditures	<u>2,325,290</u>	<u>1,259,274</u>	<u>1,066,016</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,372,211)</u>	<u>(474,619)</u>	<u>897,592</u>
Other Financing Sources (Uses)			
Transfers	<u>400,000</u>	<u>500,820</u>	<u>100,820</u>
Net Change in Fund Balances	(972,211)	26,201	998,412
Fund Balances - Beginning of Year	<u>581,340</u>	<u>581,340</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (390,871)</u>	<u>\$ 607,541</u>	<u>\$ 998,412</u>

CITY OF GADSDEN, ALABAMA

EMERGENCY SOLUTIONS GRANT
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ _____ -	\$ _____ -
Total Liabilities	_____ -	_____ -
Fund Balances		
Restricted	_____ (19,356)	_____ -
Total Liabilities and Fund Balances	<u>\$ (19,356)</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA
EMERGENCY SOLUTIONS GRANT
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ 53,612	\$ 200,000
Total Revenue	<u>53,612</u>	<u>200,000</u>
Expenditures		
Intergovernmental	<u>72,968</u>	<u>200,000</u>
Total Expenditures	<u>72,968</u>	<u>200,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(19,356)</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,356)	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (19,356)</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA

EMERGENCY SOLUTIONS GRANT
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 200,000	\$ 53,612	\$ (146,388)
Total Revenue	<u>200,000</u>	<u>53,612</u>	<u>(146,388)</u>
Expenditures			
Intergovernmental	<u>200,000</u>	<u>72,968</u>	<u>127,032</u>
Total Expenditures	<u>200,000</u>	<u>72,968</u>	<u>127,032</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>(19,356)</u>	<u>(19,356)</u>
Other Financing Sources (Uses)			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(19,356)</u>	<u>(19,356)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ (19,356)</u>	<u>\$ (19,356)</u>

CITY OF GADSDEN, ALABAMA
CORRECTIONS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 11,458	\$ 38,248
Total Assets	<u>\$ 11,458</u>	<u>\$ 38,248</u>
Liabilities and Fund Balances		
Accounts payable and other liabilities	\$ 2,194	\$ 6,169
Fund Balances		
Restricted	<u>9,264</u>	<u>32,079</u>
Total Liabilities and Fund Balances	<u>\$ 11,458</u>	<u>\$ 38,248</u>

CITY OF GADSDEN, ALABAMA
CORRECTIONS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	2017
	<u>2018</u>	<u>2017</u>
Revenue		
Fines and forfeitures	\$ 55,354	\$ 45,108
Other	<u>-</u>	<u>-</u>
Total Revenue	<u>55,354</u>	<u>45,108</u>
Expenditures		
Public safety	78,169	6,466
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>78,169</u>	<u>6,466</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(22,815)</u>	<u>38,642</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(22,815)	38,642
Fund Balances - Beginning of Year	<u>32,079</u>	<u>(6,563)</u>
Fund Balances - End of Year	<u>\$ 9,264</u>	<u>\$ 32,079</u>

CITY OF GADSDEN, ALABAMA

CORRECTIONS FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Fines and forfeitures	\$ 42,500	\$ 55,354	\$ 12,854
Expenditures			
Public safety	78,750	78,169	581
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>78,750</u>	<u>78,169</u>	<u>581</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(36,250)</u>	<u>(22,815)</u>	<u>13,435</u>
Other Financing Sources (Uses)			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(36,250)	(22,815)	13,434
Fund Balances - Beginning of Year	<u>32,079</u>	<u>32,079</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (4,171)</u>	<u>\$ 9,264</u>	<u>\$ 13,435</u>

CITY OF GADSDEN, ALABAMA

ECONOMIC DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 21,213	\$ 13,370
Receivables - taxes	<u>37,356</u>	<u>45,603</u>
Total Assets	<u>\$ 58,569</u>	<u>\$ 58,973</u>
Liabilities and Fund Balances		
Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
Fund Balances		
Restricted	<u>58,569</u>	<u>58,973</u>
Total Liabilities and Fund Balances	<u>\$ 58,569</u>	<u>\$ 58,973</u>

CITY OF GADSDEN, ALABAMA
ECONOMIC DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 499,851	\$ 558,620
Other	-	-
Total Revenue	<u>499,851</u>	<u>558,620</u>
Expenditures		
Capital outlay	<u>39,910</u>	<u>112,879</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>459,941</u>	<u>445,741</u>
Other Financing Sources (Uses)		
Sales of assets	39,655	182,050
Transfers	<u>(500,000)</u>	<u>(675,000)</u>
Total Other Financing Sources (Uses)	<u>(460,345)</u>	<u>(492,950)</u>
Net Change in Fund Balances	(404)	(47,209)
Fund Balances - Beginning of Year	<u>58,973</u>	<u>106,182</u>
Fund Balances - End of Year	<u>\$ 58,569</u>	<u>\$ 58,973</u>

CITY OF GADSDEN, ALABAMA
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 550,000	\$ 499,851	\$ (50,149)
Expenditures			
Capital outlay	39,989	39,910	79
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>510,011</u>	<u>459,941</u>	<u>(50,070)</u>
Other Financing Sources (Uses)			
Sales of assets	-	39,655	39,655
Transfers	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(460,345)</u>	<u>39,655</u>
Net Change in Fund Balances	10,011	(404)	(10,415)
Fund Balances - Beginning of Year	<u>58,973</u>	<u>58,973</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 68,984</u>	<u>\$ 58,569</u>	<u>\$ (10,415)</u>

CITY OF GADSDEN, ALABAMA

LAW ENFORCEMENT GRANTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 4,882	\$ 21,982
Receivables - intergovernmental	<u>6,175</u>	<u>-</u>
Total Assets	<u>\$ 11,057</u>	<u>\$ 21,982</u>
Liabilities and Fund Balances		
Accounts payable and other liabilities	<u>\$ 950</u>	<u>\$ -</u>
Fund Balances		
Restricted	<u>10,107</u>	<u>21,982</u>
Total Liabilities and Fund Balances	<u>\$ 11,057</u>	<u>\$ 21,982</u>

CITY OF GADSDEN, ALABAMA
LAW ENFORCEMENT GRANTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ <u>26,710</u>	\$ <u>21,809</u>
Expenditures		
Public safety	<u>38,585</u>	<u>25,133</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(11,875)</u>	<u>(3,324)</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>18,524</u>
Net Change in Fund Balances	(11,875)	15,200
Fund Balances - Beginning of Year	<u>21,982</u>	<u>6,782</u>
Fund Balances - End of Year	<u>\$ 10,107</u>	<u>\$ 21,982</u>

CITY OF GADSDEN, ALABAMA

LAW ENFORCEMENT GRANTS FUND
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 14,795	\$ 26,710	\$ 11,915
Expenditures			
Public safety	29,589	38,585	8,996
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(14,794)</u>	<u>(11,875)</u>	<u>2,919</u>
Other Financing Sources (Uses)			
Transfers	-	-	-
Net Change in Fund Balances	(14,794)	(11,875)	2,919
Fund Balances - Beginning of Year	<u>21,982</u>	<u>21,982</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 7,188</u>	<u>\$ 10,107</u>	<u>\$ 2,919</u>

CITY OF GADSDEN, ALABAMA
OTHER RESTRICTED FUNDS
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 2,391,104	\$ 2,070,462
Total Assets	<u>\$ 2,391,104</u>	<u>\$ 2,070,462</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 47,773	\$ 6,658
Fund Balances		
Restricted	<u>2,343,331</u>	<u>2,063,804</u>
Total Liabilities and Fund Balances	<u>\$ 2,391,104</u>	<u>\$ 2,070,462</u>

CITY OF GADSDEN, ALABAMA
OTHER RESTRICTED FUNDS
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 680,664	\$ 548,081
Charges for services	74,000	68,595
Fines and forfeitures	5,285	4,327
Other	<u>97,445</u>	<u>133,757</u>
Total Revenue	<u>857,394</u>	<u>754,760</u>
Expenditures		
Intergovernmental	7,848	4,651
Public safety	91,344	66,753
Recreation and cultural services	57,362	120,686
Urban development	-	-
Capital outlay	<u>421,313</u>	<u>441,890</u>
Total Expenditures	<u>577,867</u>	<u>633,980</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>279,527</u>	<u>120,780</u>
Net Change in Fund Balances	279,527	120,780
Fund Balances - Beginning of Year	<u>2,063,804</u>	<u>1,943,024</u>
Fund Balances - End of Year	<u>\$2,343,331</u>	<u>\$2,063,804</u>

CITY OF GADSDEN, ALABAMA

**OTHER RESTRICTED FUNDS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Taxes	\$ 500,000	\$ 680,664	\$ 180,664
Charges for services	65,000	74,000	9,000
Fines and forfeitures	4,000	5,285	1,285
Other	<u>84,250</u>	<u>97,445</u>	<u>13,195</u>
Total Revenue	<u>653,250</u>	<u>857,394</u>	<u>204,144</u>
Expenditures			
Intergovernmental	1,151	7,848	(6,697)
Public safety	128,588	91,344	37,244
Recreation and cultural services	165,650	57,362	108,288
Urban development	-	-	-
Capital outlay	<u>1,103,609</u>	<u>421,313</u>	<u>682,296</u>
Total Expenditures	<u>1,398,998</u>	<u>577,867</u>	<u>821,131</u>
Net Change in Fund Balances	(745,748)	279,527	(1,025,275)
Fund Balances - Beginning of Year	<u>1,380,861</u>	<u>2,063,804</u>	<u>682,943</u>
Fund Balances - End of Year	<u>\$ 635,113</u>	<u>\$ 2,343,331</u>	<u>\$ 1,708,218</u>

CITY OF GADSDEN, ALABAMA

MISCELLANEOUS GRANTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Receivables - intergovernmental	\$ 32,900	\$ -
Total Assets	<u>\$ 32,900</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2,300	\$ -
Due to other funds	<u>33,353</u>	<u>2,753</u>
Total Liabilities	<u>35,653</u>	<u>2,753</u>
Fund Balances		
Unassigned	<u>(2,753)</u>	<u>(2,753)</u>
Total Liabilities and Fund Balances	<u>\$ 32,900</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA
MISCELLANEOUS GRANTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ 106,914	\$ 34,591
Expenditures		
Public safety	18,278	34,591
Capital outlays	<u>88,636</u>	<u>-</u>
Total Expenditures	<u>106,914</u>	<u>34,591</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	<u>(2,753)</u>	<u>(2,753)</u>
Fund Balances - End of Year	<u>\$ (2,753)</u>	<u>\$ (2,753)</u>

CITY OF GADSDEN, ALABAMA
MISCELLANEOUS GRANTS FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 106,929	\$ 106,914	\$ (15)
Expenditures			
Public safety	18,278	18,278	-
Capital outlays	<u>88,651</u>	<u>88,636</u>	<u>15</u>
Total Expenditures	<u>106,929</u>	<u>106,914</u>	<u>15</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>(2,753)</u>	<u>(2,753)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (2,753)</u>	<u>\$ (2,753)</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA
CITY JUDGE ADMINISTRATIVE FEES FUND
COMPARATIVE BALANCE SHEETS

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 63,924	\$ 25,772
Total Assets	<u>\$ 63,924</u>	<u>\$ 25,772</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 63,924	\$ 25,772
Total Liabilities and Fund Balances	<u>\$ 63,924</u>	<u>\$ 25,772</u>

CITY OF GADSDEN, ALABAMA
CITY JUDGE ADMINISTRATIVE FEES FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	2017
	<u>2018</u>	<u>2017</u>
Revenue		
Fines and forfeits	\$ 38,152	\$ 30,396
Total revenue	<u>38,152</u>	<u>30,396</u>
Expenditures		
Public safety	<u>-</u>	<u>68,001</u>
Total Expenditures	<u>-</u>	<u>68,001</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>38,152</u>	<u>(37,605)</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	38,152	(37,605)
Fund Balances - Beginning of Year	<u>25,772</u>	<u>63,377</u>
Fund Balances - End of Year	<u>\$ 63,924</u>	<u>\$ 25,772</u>

CITY OF GADSDEN, ALABAMA

**CITY JUDGE ADMINISTRATIVE FEES FUND
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue			
Fines and forfeits	\$ 27,500	\$ 38,152	\$ 10,652
Expenditures			
Public works services	40,000	-	40,000
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(12,500)</u>	<u>38,152</u>	<u>50,652</u>
Other Financing Sources (Uses)			
Transfers	-	-	-
Net Change in Fund Balances	(12,500)	38,152	50,652
Fund Balances - Beginning of Year	<u>25,772</u>	<u>25,772</u>	-
Fund Balances - End of Year	<u>\$ 13,272</u>	<u>\$ 63,924</u>	<u>\$ 50,652</u>

CITY OF GADSDEN, ALABAMA

**AIRPORT AUTHORITY GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS**

	September 30,	
	2018	2017
Assets		
Restricted cash	\$ -	\$ 12,760
Receivable - intergovernmental	-	4,877
Total Assets	\$ -	\$ 17,637
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 870	\$ 1,216
Due to other funds	-	-
Total Liabilities	870	1,216
 Fund Balances		
Restricted	(870)	16,422
Total Liabilities and Fund Balances	\$ -	\$ 17,638

CITY OF GADSDEN, ALABAMA

**AIRPORT AUTHORITY GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	-	-
Interest and fiscal charges	<u>88,514</u>	<u>11,872</u>
Total Expenditures	<u>88,514</u>	<u>11,872</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(88,514)</u>	<u>(11,872)</u>
Other Financing Sources (Uses)		
Transfers	<u>71,222</u>	<u>(6,400)</u>
Net Change in Fund Balances	(17,292)	(18,272)
Fund Balances - Beginning of Year	<u>16,422</u>	<u>34,694</u>
Fund Balances - End of Year	<u>\$ (870)</u>	<u>\$ 16,422</u>

CITY OF GADSDEN, ALABAMA

2006A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ 11,211	\$ 10,542
Total Assets	<u>\$ 11,211</u>	<u>\$ 10,542</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 11,211	\$ 10,542
Total Liabilities and Fund Balances	<u>\$ 11,211</u>	<u>\$ 10,542</u>

CITY OF GADSDEN, ALABAMA

**2006A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	50,000	50,000
Interest and fiscal charges	<u>25,254</u>	<u>27,607</u>
Total Expenditures	<u>75,254</u>	<u>77,607</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(75,254)</u>	<u>(77,607)</u>
Other Financing Sources (Uses)		
Transfers	<u>75,923</u>	<u>78,275</u>
Net Change in Fund Balances	669	668
Fund Balances - Beginning of Year	<u>10,542</u>	<u>9,874</u>
Fund Balances - End of Year	<u>\$ 11,211</u>	<u>\$ 10,542</u>

CITY OF GADSDEN, ALABAMA

2006B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2006B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ 6,451
Expenditures		
Principal	-	-
Interest and fiscal charges	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	6,451
Other Financing Sources (Uses)		
Transfers	-	(6,451)
Total Other Financing Sources (Uses)	-	(6,451)
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ -	\$ -

CITY OF GADSDEN, ALABAMA

2011 GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ 6,652	\$ 6,652
Total Assets	<u>\$ 6,652</u>	<u>\$ 6,652</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ -	\$ -
Fund Balances		
Restricted	<u>6,652</u>	<u>6,652</u>
Total Liabilities and Fund Balances	<u>\$ 6,652</u>	<u>\$ 6,652</u>

CITY OF GADSDEN, ALABAMA

**2011 GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	340,000	325,000
Interest and fiscal charges	<u>118,933</u>	<u>131,638</u>
Total Expenditures	<u>458,933</u>	<u>456,638</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(458,933)</u>	<u>(456,638)</u>
Other Financing Sources (Uses)		
Transfers	<u>458,933</u>	<u>457,681</u>
Net Change in Fund Balances	-	1,043
Fund Balances - Beginning of Year	<u>6,652</u>	<u>5,609</u>
Fund Balances - End of Year	<u>\$ 6,652</u>	<u>\$ 6,652</u>

CITY OF GADSDEN, ALABAMA

2012A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2012A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	1,015,000	985,000
Interest and fiscal charges	<u>531,267</u>	<u>560,796</u>
Total Expenditures	<u>1,546,267</u>	<u>1,545,796</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,546,267)</u>	<u>(1,545,796)</u>
Other Financing Sources (Uses)		
Transfers	<u>1,546,267</u>	<u>1,545,796</u>
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA

2012B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2012B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	335,000	325,000
Interest and fiscal charges	103,491	112,650
Total Expenditures	438,491	437,650
Excess (Deficiency) of Revenue Over (Under) Expenditures	(438,491)	(437,650)
Other Financing Sources (Uses)		
Transfers	438,491	437,650
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ -	\$ -

CITY OF GADSDEN, ALABAMA

2012C GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2012C GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	455,000	445,000
Interest and fiscal charges	<u>196,585</u>	<u>209,935</u>
Total Expenditures	<u>651,585</u>	<u>654,935</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(651,585)</u>	<u>(654,935)</u>
Other Financing Sources (Uses)		
Transfers	<u>651,585</u>	<u>654,935</u>
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA

2012D GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ 6,104	\$ 6,104
Total Assets	<u>\$ 6,104</u>	<u>\$ 6,104</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 6,104	\$ 6,104
Total Liabilities and Fund Balances	<u>\$ 6,104</u>	<u>\$ 6,104</u>

CITY OF GADSDEN, ALABAMA

**2012D GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	1,340,000	1,315,000
Interest and fiscal charges	<u>88,605</u>	<u>114,890</u>
Total Expenditures	<u>1,428,605</u>	<u>1,429,890</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,428,605)</u>	<u>(1,429,890)</u>
Other Financing Sources (Uses)		
Transfers	<u>1,428,605</u>	<u>1,329,890</u>
Net Change in Fund Balances	-	(100,000)
Fund Balances - Beginning of Year	<u>6,104</u>	<u>106,104</u>
Fund Balances - End of Year	<u>\$ 6,104</u>	<u>\$ 6,104</u>

CITY OF GADSDEN, ALABAMA

2014A/2017A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ <u>1</u>	\$ <u>-</u>
Total Assets	<u>\$ 1</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ <u>1</u>	\$ <u>86,131</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 86,131</u>

CITY OF GADSDEN, ALABAMA

**2014A/2017A GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ 840
Expenditures		
Principal	222,255	2,231,128
Interest and fiscal charges	<u>76,559</u>	<u>156,132</u>
Total Expenditures	<u>298,814</u>	<u>2,387,260</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(298,814)</u>	<u>(2,386,420)</u>
Other Financing Sources (Uses)		
Proceeds from refunding warrants issued	-	2,222,550
Transfers	<u>212,684</u>	<u>250,000</u>
Total other financing sources (uses)	<u>212,684</u>	<u>2,472,550</u>
Net Change in Fund Balances	(86,130)	86,130
Fund Balances - Beginning of Year	<u>86,131</u>	<u>1</u>
Fund Balances - End of Year	<u>\$ 1</u>	<u>\$ 86,131</u>

CITY OF GADSDEN, ALABAMA

2014B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2014B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	2018	2017
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	45,000	40,000
Interest and fiscal charges	274,419	275,219
Total Expenditures	319,419	315,219
Excess (Deficiency) of Revenue Over (Under) Expenditures	(319,419)	(315,219)
Other Financing Sources (Uses)		
Transfers	319,419	315,219
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ -	\$ -

CITY OF GADSDEN, ALABAMA

2014C GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
 Liabilities and Fund Balances		
 Fund Balances		
Restricted	\$ _____ -	\$ _____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

**2014C GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	2018	2017
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	10,000	10,000
Interest and fiscal charges	75,316	75,616
Total Expenditures	85,316	85,616
Excess (Deficiency) of Revenue Over (Under) Expenditures	(85,316)	(85,616)
Other Financing Sources (Uses)		
Transfers	85,316	85,616
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ -	\$ -

CITY OF GADSDEN, ALABAMA

2014D GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ <u>189</u>	\$ <u>172</u>
Total Assets	\$ <u>189</u>	\$ <u>172</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ <u>189</u>	\$ <u>172</u>
Total Liabilities and Fund Balances	\$ <u>189</u>	\$ <u>172</u>

CITY OF GADSDEN, ALABAMA

**2014D GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	165,000	165,000
Interest and fiscal charges	<u>34,635</u>	<u>40,039</u>
Total Expenditures	<u>199,635</u>	<u>205,039</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(199,635)</u>	<u>(205,039)</u>
Other Financing Sources (Uses)		
Transfers	<u>199,652</u>	<u>205,089</u>
Net Change in Fund Balances	17	50
Fund Balances - Beginning of Year	<u>172</u>	<u>122</u>
Fund Balances - End of Year	<u>\$ 189</u>	<u>\$ 172</u>

CITY OF GADSDEN, ALABAMA

2017B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash	\$ <u>1</u>	\$ <u>-</u>
Total Assets	<u>\$ 1</u>	<u>\$ -</u>
 Liabilities and Fund Balances		
 Fund Balances		
Restricted	\$ <u>1</u>	\$ <u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA

**2017B GENERAL OBLIGATION WARRANTS DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	700,000	-
Interest and fiscal charges	597,412	-
Total Expenditures	1,297,412	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,297,412)	-
Other Financing Sources (Uses)		
Transfers	1,297,413	-
Net Change in Fund Balances	1	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ 1	\$ -

CITY OF GADSDEN, ALABAMA
CAPITAL LEASES DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 469	\$ 468
Total Assets	<u>\$ 469</u>	<u>\$ 468</u>
 Liabilities and Fund Balances		
 Fund Balances		
Restricted	<u>469</u>	<u>468</u>
Total Liabilities and Fund Balances	<u>\$ 469</u>	<u>\$ 468</u>

CITY OF GADSDEN, ALABAMA
CAPITAL LEASES DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Principal	597,034	650,985
Interest and fiscal charges	<u>23,570</u>	<u>22,541</u>
Total Expenditures	<u>620,604</u>	<u>673,526</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(620,604)</u>	<u>(673,526)</u>
Other Financing Sources (Uses)		
Transfers	<u>620,605</u>	<u>673,531</u>
Net Change in Fund Balances	1	5
Fund Balances - Beginning of Year	<u>468</u>	<u>463</u>
Fund Balances - End of Year	<u>\$ 469</u>	<u>\$ 468</u>

CITY OF GADSDEN, ALABAMA
MUNICIPAL CAPITAL IMPROVEMENTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 2,549,045	\$ 2,234,362
Total Assets	<u>\$ 2,549,045</u>	<u>\$ 2,234,362</u>
 Liabilities and Fund Balances		
 Fund Balances		
Committed	\$ 2,549,045	\$ 2,234,362
Total Liabilities and Fund Balances	<u>\$ 2,549,045</u>	<u>\$ 2,234,362</u>

CITY OF GADSDEN, ALABAMA
MUNICIPAL CAPITAL IMPROVEMENTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	2017
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ 314,683	\$ 314,167
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>314,683</u>	<u>314,167</u>
Other Financing Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Net Change in Fund Balances	314,683	314,167
Fund Balances - Beginning of Year	<u>2,234,362</u>	<u>1,920,195</u>
Fund Balances - End of Year	<u>\$ 2,549,045</u>	<u>\$ 2,234,362</u>

CITY OF GADSDEN, ALABAMA

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 700,728	\$ 753,988
Receivables	<u>32,933</u>	<u>159,944</u>
Total Assets	<u>\$ 733,661</u>	<u>\$ 913,932</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 17,610	\$ 190,742
Total Liabilities	<u>17,610</u>	<u>190,742</u>
Fund Balances		
Committed	<u>716,051</u>	<u>723,189</u>
Total Liabilities and Fund Balances	<u>\$ 733,661</u>	<u>\$ 913,931</u>

CITY OF GADSDEN, ALABAMA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Intergovernmental	\$ 182,398	\$ 501,995
Other revenue	<u> -</u>	<u>12,500</u>
Total Revenue	<u>182,398</u>	<u>514,495</u>
 Expenditures		
Public Safety	20,421	-
Capital outlay	<u>169,115</u>	<u>573,549</u>
Total expenditures	<u>189,536</u>	<u>573,549</u>
 Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(7,138)</u>	<u>(59,054)</u>
 Other Financing Sources (Uses)		
Transfers	<u> -</u>	<u>66,192</u>
 Net Change in Fund Balances	(7,138)	7,138
 Fund Balances - Beginning of Year	<u>723,189</u>	<u>716,051</u>
 Fund Balances - End of Year	<u>\$ 716,051</u>	<u>\$ 723,189</u>

CITY OF GADSDEN, ALABAMA
RESURFACING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ <u>215,097</u>	\$ <u>348,438</u>
Total Assets	\$ <u>215,097</u>	\$ <u>348,438</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ <u>215,097</u>	\$ <u>348,438</u>
Total Liabilities and Fund Balances	\$ <u>215,097</u>	\$ <u>348,438</u>

CITY OF GADSDEN, ALABAMA
RESURFACING CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>
Expenditures		
Capital outlay	<u>501,341</u>	<u>460,416</u>
Total Expenditures	<u>501,341</u>	<u>460,416</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(501,341)</u>	<u>(460,416)</u>
Other Financing Sources (Uses)		
Transfers	<u>368,000</u>	<u>343,800</u>
Net Change in Fund Balances	(133,341)	(116,616)
Fund Balances - Beginning of Year	<u>348,438</u>	<u>465,054</u>
Fund Balances - End of Year	<u>\$ 215,097</u>	<u>\$ 348,438</u>

CITY OF GADSDEN, ALABAMA

CAPITAL IMPROVEMENTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 2,388,836	\$ 2,124,891
Receivables - taxes	557,939	568,132
Due from component units	<u>9,390,204</u>	<u>10,448,322</u>
Total Assets	<u>\$12,336,979</u>	<u>\$ 13,141,345</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and other liabilities	\$ 32,147	\$ 24,687
Due to component units	<u>2,590,812</u>	<u>3,683,730</u>
Total Liabilities	<u>2,622,959</u>	<u>3,708,417</u>
Fund Balances		
Nonspendable	5,881,010	6,764,592
Committed	<u>3,833,010</u>	<u>2,668,336</u>
Total Fund Balances	<u>9,714,020</u>	<u>9,432,928</u>
Total Liabilities and Fund Balances	<u>\$12,336,979</u>	<u>\$ 13,141,345</u>

CITY OF GADSDEN, ALABAMA
CAPITAL IMPROVEMENTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 6,989,061	\$ 7,041,105
Other	488,416	438,887
Total Revenue	<u>7,477,477</u>	<u>7,479,992</u>
Expenditures		
Capital outlay	<u>3,332,905</u>	<u>2,566,288</u>
Total Expenditures	<u>3,332,905</u>	<u>2,566,288</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>4,144,572</u>	<u>4,913,704</u>
Other Financing Sources (Uses)		
Capital lease inception	1,004,555	-
Transfers	<u>(4,868,035)</u>	<u>(4,577,240)</u>
Total Other Financing Sources (Uses)	<u>(3,863,480)</u>	<u>(4,577,240)</u>
Net Change in Fund Balances	281,092	336,464
Fund Balances - Beginning of Year	<u>9,432,928</u>	<u>9,096,464</u>
Fund Balances - End of Year	<u>\$ 9,714,020</u>	<u>\$ 9,432,928</u>

CITY OF GADSDEN, ALABAMA

2011A GENERAL OBLIGATION WARRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 515,026	\$ 515,026
Total Assets	<u>\$ 515,026</u>	<u>\$ 515,026</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ -
Fund Balances		
Committed	<u>515,026</u>	<u>515,026</u>
Total Liabilities and Fund Balances	<u>\$ 515,026</u>	<u>\$ 515,026</u>

CITY OF GADSDEN, ALABAMA

**2011A GENERAL OBLIGATION WARRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES**

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Total Revenue	-	-
Expenditures		
Capital outlay	-	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Transfers	-	-
Total other financing sources (uses)	-	-
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	515,026	515,026
Fund Balances - End of Year	\$ 515,026	\$ 515,026

CITY OF GADSDEN, ALABAMA

2014B & C GENERAL OBLIGATION WARRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ _____ -	\$ _____ -
Total Assets	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ _____ -	\$ _____ -
Total Liabilities	_____ -	_____ -
Fund Balances		
Committed	_____ -	_____ -
Total Liabilities and Fund Balances	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA

2014B & C GENERAL OBLIGATION WARRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ -	\$ -
Expenditures		
Capital outlays	-	157,568
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	(157,568)
Other Financing Sources (Uses)		
Proceeds from refunding warrants issued	-	-
Net Change in Fund Balances	-	(157,568)
Fund Balances - Beginning of Year	-	157,568
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA

2017-B CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 7,605,466	\$ _____ -
Total Assets	<u>\$ 7,605,466</u>	<u>\$ _____ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,112,120	\$ _____ -
Fund Balances		
Committed	<u>6,493,346</u>	<u>_____ -</u>
Total Liabilities and Fund Balances	<u>\$ 7,605,466</u>	<u>\$ _____ -</u>

CITY OF GADSDEN, ALABAMA
2017-B CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	2018	2017
Revenue		
Other revenue	\$ 450	\$ -
Expenditures		
Issuance costs	330,402	-
Capital outlay	16,507,797	-
Total expenditures	16,838,199	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	(16,837,749)	-
Other Financing Sources (Uses)		
Proceeds from warrants	20,615,000	-
Premiums on warrants issued	2,716,095	-
Total other financing sources (uses)	23,331,095	-
Net Change in Fund Balances	6,493,346	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ 6,493,346	\$ -

CITY OF GADSDEN, ALABAMA

CAPITAL IMPROVEMENT FUND II
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 4,075,544	\$ -
Taxes receivable	<u>557,939</u>	<u>-</u>
Total Assets	<u>\$ 4,633,483</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 294,423</u>	<u>\$ -</u>
Fund Balances		
Committed	<u>4,339,060</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,633,483</u>	<u>\$ -</u>

CITY OF GADSDEN, ALABAMA
CAPITAL IMPROVEMENT FUND II
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Taxes	\$ 6,494,737	\$ -
Expenditures		
General government	200,000	-
Capital outlay	658,264	-
Total expenditures	858,264	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	5,636,473	-
Other Financing Sources (Uses)		
Transfers	(1,297,413)	-
Total other financing sources (uses)	(1,297,413)	-
Net Change in Fund Balances	4,339,060	-
Fund Balances - Beginning of Year	-	-
Fund Balances - End of Year	\$ 4,339,060	\$ -

CITY OF GADSDEN, ALABAMA
NELL THOMAS LIBRARY ENDOWMENT FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 13,713	\$ 13,714
Investments	142,174	142,174
Receivables - other	<u>1,507</u>	<u>201</u>
Total Assets	<u>\$ 157,394</u>	<u>\$ 156,089</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ -
 Fund Balances		
Restricted	<u>157,394</u>	<u>156,089</u>
Total Liabilities and Fund Balances	<u>\$ 157,394</u>	<u>\$ 156,089</u>

CITY OF GADSDEN, ALABAMA
NELL THOMAS LIBRARY ENDOWMENT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ 1,305	\$ 761
Expenditures		
Recreation and cultural services	-	-
Net Change in Fund Balances	1,305	761
Fund Balances - Beginning of Year	156,089	155,328
Fund Balances - End of Year	\$ 157,394	\$ 156,089

CITY OF GADSDEN, ALABAMA

LIBRARY ENDOWMENT FUND
COMPARATIVE BALANCE SHEETS

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,607	\$ 1,161
Investments	24,750	24,750
Receivables		
Other	<u>34</u>	<u>125</u>
Total Assets	<u>\$ 26,391</u>	<u>\$ 26,036</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund Balances		
Restricted	<u>26,391</u>	<u>26,036</u>
Total Liabilities and Fund Balances	<u>\$ 26,391</u>	<u>\$ 26,036</u>

CITY OF GADSDEN, ALABAMA
LIBRARY ENDOWMENT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

	September 30,	
	<u>2018</u>	<u>2017</u>
Revenue		
Other	\$ 355	\$ 147
Expenditures		
Recreation and cultural services	-	-
Net Change in Fund Balances	355	147
Fund Balances - Beginning of Year	26,036	25,889
Fund Balances - End of Year	\$ 26,391	\$ 26,036

CITY OF GADSDEN, ALABAMA
AIR DEPOT FUND
COMPARATIVE STATEMENTS OF NET POSITION

	September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 89,969	\$ 7,959
Receivables - other	-	150
Total Current Assets	<u>89,969</u>	<u>8,109</u>
Capital Assets, net of accumulated depreciation		
Land	111,470	111,470
Buildings	902,436	991,454
Improvements	8,386	11,729
Equipment	<u>1,846</u>	<u>5,537</u>
Total Capital Assets, net of accumulated depreciation	<u>1,024,138</u>	<u>1,120,190</u>
Total Assets	<u>\$ 1,114,107</u>	<u>\$ 1,128,299</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable and other current liabilities	\$ 10,209	\$ 14,013
Unearned revenue	1,880	-
Current portion of long-term debt	<u>100,000</u>	<u>100,000</u>
Total Current Liabilities	<u>112,089</u>	<u>114,013</u>
General obligation warrants payable	<u>100,000</u>	<u>200,000</u>
Total Liabilities	<u>212,089</u>	<u>314,013</u>
Net Position		
Net investment in capital assets	824,138	820,190
Unrestricted	<u>77,880</u>	<u>(5,904)</u>
Total Net Position	<u>902,018</u>	<u>814,286</u>
Total Liabilities and Net Position	<u>\$ 1,114,107</u>	<u>\$ 1,128,299</u>

CITY OF GADSDEN, ALABAMA
AIR DEPOT FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION

	September 30,	
	<u>2018</u>	<u>2017</u>
Operating Revenue		
Charges for sales and services	\$ 373,819	\$ 316,579
Operating Expenses		
Cost of sales and services	173,272	122,204
Depreciation	<u>96,052</u>	<u>96,052</u>
Total Operating Expenses	<u>269,324</u>	<u>218,256</u>
Operating income	<u>104,495</u>	<u>98,323</u>
Nonoperating Revenue (Expenses)		
Interest expense	<u>(16,763)</u>	<u>(23,291)</u>
Total Nonoperating Revenue (Expenses)	<u>(16,763)</u>	<u>(23,291)</u>
Change in Net Position	87,732	75,032
Net Position - Beginning of Year	<u>814,286</u>	<u>739,254</u>
Net Position - End of Year	<u>\$ 902,018</u>	<u>\$ 814,286</u>

CITY OF GADSDEN, ALABAMA

**AIR DEPOT FUND
COMPARATIVE STATEMENTS OF CASH FLOWS**

	September 30,	
	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 373,969	\$ 316,429
Payments to suppliers	(175,196)	(185,179)
Payments to employees	<u>-</u>	<u>-</u>
Net Cash Flows From Operating Activities	<u>198,773</u>	<u>131,250</u>
Cash Flows From Noncapital Financing Activities		
Transfers from other funds	<u>-</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Principal paid on capital debt	(100,000)	(100,000)
Interest paid on capital debt	<u>(16,763)</u>	<u>(23,291)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(116,763)</u>	<u>(123,291)</u>
Net Increase (Decrease) In Cash	82,010	7,959
Cash and Cash Equivalents - Beginning of Year	<u>7,959</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 89,969</u>	<u>\$ 7,959</u>
Reconciliation of Change in Net Position to Net Cash Flows From Operating Activities		
Operating income	\$ 104,495	\$ 98,323
Depreciation	96,052	96,052
Change in receivables	150	(150)
Change in accounts payable and other current liabilities	(1,924)	(6,989)
Due to other funds	<u>-</u>	<u>(55,986)</u>
Net Cash From Operating Activities	<u>\$ 198,773</u>	<u>\$ 131,250</u>

CITY OF GADSDEN, ALABAMA
RESIDENTIAL GARBAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 620	\$ 620
Receivables - accounts, net	611,965	503,055
Due from other funds	<u>421,075</u>	<u>-</u>
Total Current Assets	<u>1,033,660</u>	<u>503,675</u>
Capital Assets, net of accumulated depreciation		
Land	267,134	267,134
Buildings	52,437	67,500
Improvements	216,678	234,148
Equipment	<u>575,377</u>	<u>762,903</u>
Total Capital Assets, net of accumulated depreciation	<u>1,111,626</u>	<u>1,331,685</u>
Total Assets	<u>\$ 2,145,286</u>	<u>\$ 1,835,360</u>
Deferred Outflows of Resources		
Pension related	<u>\$ 279,170</u>	<u>\$ 311,558</u>
Liabilities		
Current Liabilities		
Accounts payable and other current liabilities	\$ 417,412	\$ 371,107
Accrued payroll and related liabilities	24,433	25,600
Compensated absences payable	91,801	86,357
Accrued landfill closure and post closure	47,200	43,200
Due to other funds	<u>-</u>	<u>10,795</u>
Total Current Liabilities	<u>580,846</u>	<u>537,059</u>
Accrued landfill closure and post closure	2,363,166	4,130,674
OPEB liability	147,164	169,281
Net pension liability	<u>1,892,914</u>	<u>2,024,361</u>
Total Liabilities	<u>\$ 4,984,090</u>	<u>\$ 6,861,375</u>
Deferred Inflows of Resources		
Pension related	\$ 129,561	\$ 73,047
OPEB related	<u>62,054</u>	<u>46,443</u>
Total Deferred Inflows of Resources	<u>\$ 191,615</u>	<u>\$ 119,490</u>
Net Position		
Net investment in capital assets	\$ 1,111,626	\$ 1,331,685
Unrestricted	<u>(3,862,875)</u>	<u>(6,165,632)</u>
Total Net Position	<u>\$ (2,751,249)</u>	<u>\$ (4,833,947)</u>

CITY OF GADSDEN, ALABAMA
RESIDENTIAL GARBAGE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Operating Revenue		
Charges for sales and services	\$ 2,618,104	\$ 2,357,208
Operating Expenses		
Cost of sales and services	990,346	5,198,899
Depreciation	<u>220,060</u>	<u>237,109</u>
Total Operating Expenses	<u>1,210,406</u>	<u>5,436,008</u>
Operating loss	<u>1,407,698</u>	<u>(3,078,800)</u>
Net Income (Loss) Before Contributions and Transfers	<u>1,407,698</u>	<u>(3,078,800)</u>
Other Financing Sources (Uses)		
Operating transfers in	<u>675,000</u>	<u>700,000</u>
Change in Net Position	2,082,698	(2,378,800)
Net Position - Beginning of Year	<u>(4,833,947)</u>	<u>(2,455,147)</u>
Net Position - End of Year	<u>\$(2,751,249)</u>	<u>\$(4,833,947)</u>

CITY OF GADSDEN, ALABAMA
RESIDENTIAL GARBAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 2,509,193	\$ 2,191,322
Payments to suppliers	(2,230,836)	(2,068,617)
Payments to employees	<u>(953,357)</u>	<u>(822,705)</u>
Net Cash Flows From Operating Activities	<u>(675,000)</u>	<u>(700,000)</u>
Cash Flows From Noncapital Financing Activities		
Transfers from other funds	<u>675,000</u>	<u>700,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>675,000</u>	<u>700,000</u>
Net Increase (Decrease) In Cash	-	-
Cash and Cash Equivalents - Beginning of Year	<u>620</u>	<u>620</u>
Cash and Cash Equivalents - End of Year	<u>\$ 620</u>	<u>\$ 620</u>
Reconciliation of Change in Net Assets to Net Cash Flows From Operating Activities		
Operating income (loss)	\$ 1,407,698	\$(3,078,800)
Depreciation	220,060	237,109
Change in receivables	(108,911)	(165,886)
Change in due from other funds	(421,075)	-
Change in accounts payable and other current liabilities	46,305	112,414
Change in due to other funds	(10,795)	(371,640)
Change in accrued payroll and related liabilities	(1,167)	(1,921)
Change in accrued compensated absences	5,444	2,118
Change in accrued landfill closure and post closure	(1,763,508)	2,473,128
Change in OPEB liability	(22,117)	(48,277)
Change in net pension liability	(131,447)	160,781
Change in deferred outflows of resources	32,388	(80,093)
Change in deferred inflows of resources	<u>72,125</u>	<u>61,067</u>
Net Cash From Operating Activities	<u>\$ (675,000)</u>	<u>\$ (700,000)</u>

CITY OF GADSDEN, ALABAMA
GOLF COURSE FUND
COMPARATIVE STATEMENTS OF NET POSITION

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 700	\$ 700
Inventories	30,456	25,821
Total Current Assets	<u>31,156</u>	<u>26,521</u>
Capital Assets, net of accumulated depreciation		
Land	2,597,560	2,597,560
Buildings	475,549	525,606
Improvements	1,894,796	2,123,216
Equipment	50,719	81,955
Total Capital Assets, net of accumulated depreciation	<u>5,018,624</u>	<u>5,328,337</u>
Total Assets	<u>\$ 5,049,780</u>	<u>\$ 5,354,858</u>
Deferred Outflows of Resources		
Pension related	<u>\$ 75,619</u>	<u>\$ 84,461</u>
Liabilities		
Current Liabilities		
Accounts payable and other current liabilities	\$ 24,205	\$ 18,370
Accrued payroll and related liabilities	9,964	10,529
Compensated absences payable	28,325	24,966
Due to other funds	1,143,294	1,178,662
Total Current Liabilities	<u>1,205,788</u>	<u>1,232,527</u>
OPEB liability	92,973	102,571
Net pension liability	512,737	548,786
Total Liabilities	<u>\$ 1,811,498</u>	<u>\$ 1,883,884</u>
Deferred Inflows of Resources		
Pension related	\$ 35,094	\$ 19,802
OPEB related	27,184	20,410
Total Deferred Inflows of Resources	<u>\$ 62,278</u>	<u>\$ 40,212</u>
Net Position		
Net investment in capital assets	\$ 5,018,624	\$ 5,328,337
Unrestricted	<u>(1,767,001)</u>	<u>(1,813,114)</u>
Total Net Position	<u>\$ 3,251,623</u>	<u>\$ 3,515,223</u>

CITY OF GADSDEN, ALABAMA
GOLF COURSE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION

	September 30,	
	<u>2018</u>	<u>2017</u>
Operating Revenue		
Charges for sales and services	\$ 619,944	\$ 557,266
Operating Expenses		
Cost of sales and services	911,805	908,980
Depreciation	<u>309,714</u>	<u>332,129</u>
Total Operating Expenses	<u>1,221,519</u>	<u>1,241,109</u>
Operating loss	<u>(601,575)</u>	<u>(683,843)</u>
Other Financing Sources (Uses)		
Operating transfers in	<u>342,975</u>	<u>307,685</u>
Change in Net Position	(258,600)	(376,158)
Net Position - Beginning of Year	<u>3,515,223</u>	<u>3,891,381</u>
Net Position - End of Year	<u>\$ 3,256,623</u>	<u>\$ 3,515,223</u>

CITY OF GADSDEN, ALABAMA

**GOLF COURSE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS**

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 614,944	\$ 557,266
Payments to suppliers	(551,685)	(443,456)
Payments to employees	(406,235)	(421,495)
Net Cash Flows From Operating Activities	<u>(342,976)</u>	<u>(307,685)</u>
Cash Flows From Noncapital Financing Activities		
Transfers from other funds	<u>342,976</u>	<u>307,685</u>
Net Cash Flows From Noncapital Financing Activities	<u>342,976</u>	<u>307,685</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	-	-
Net Cash Flows From Capital and Related Financing Activities	-	-
Net Increase (Decrease) In Cash	-	-
Cash and Cash Equivalents - Beginning of Year	<u>700</u>	<u>700</u>
Cash and Cash Equivalents - End of Year	<u>\$ 700</u>	<u>\$ 700</u>
Reconciliation of Change in Net Assets to Net Cash Flows From Operating Activities		
Operating loss	\$ (606,576)	\$ (683,843)
Depreciation	309,714	332,212
Change in inventories	(4,635)	4,088
Change in accounts payable and other current liabilities	5,833	(4,751)
Change in due to other funds	(35,368)	53,900
Change in accrued payroll and related liabilities	(565)	(589)
Change in accrued compensated absences	3,360	9,797
Change in OPEB liability	(9,598)	(21,216)
Change in net pension liability	(36,049)	787
Change in deferred outflows of resources	8,842	(20,284)
Change in deferred inflows of resources	<u>22,066</u>	<u>22,214</u>
Net Cash From Operating Activities	<u>\$ (342,976)</u>	<u>\$ (307,685)</u>

CITY OF GADSDEN, ALABAMA

**WORKERS' COMPENSATION AND EMPLOYEE HEALTH INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION**

	<u>September 30,</u> <u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,609,845	\$ 3,223,671
Receivables	30,917	33,158
Prepays	<u>2,562</u>	<u>2,383</u>
Total Assets	<u>\$ 4,643,324</u>	<u>\$ 3,259,212</u>
Deferred Outflows of Resources		
Pension related	<u>\$ 43,144</u>	<u>\$ 46,284</u>
Liabilities		
Current Liabilities		
Accounts payable and other current liabilities	\$ 1,494	\$ 1,423
Accrued payroll and related liabilities	3,255	3,150
Compensated absences payable	8,274	8,122
Net pension liability	292,539	300,736
Claims and judgments payable	<u>2,503,893</u>	<u>2,832,186</u>
Total Liabilities	<u>\$ 2,809,455</u>	<u>\$ 3,145,617</u>
Deferred Inflows of Resources		
Pension related	<u>\$ 20,023</u>	<u>\$ 10,852</u>
Net Position		
Unrestricted	<u>\$ 1,856,990</u>	<u>\$ 149,027</u>

CITY OF GADSDEN, ALABAMA

WORKERS' COMPENSATION AND EMPLOYEE HEALTH INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION

	September 30,	
	<u>2018</u>	<u>2017</u>
Operating Revenue		
Charges for sales and services	\$ 9,051,558	\$ 7,826,347
Operating Expenses		
Cost of sales and services	<u>7,343,595</u>	<u>7,827,914</u>
Change in Net Position	1,707,963	(1,567)
Net Position - Beginning of Year	<u>149,027</u>	<u>150,594</u>
Net Position - End of Year	<u>\$ 1,856,990</u>	<u>\$ 149,027</u>

CITY OF GADSDEN, ALABAMA

**WORKERS' COMPENSATION AND EMPLOYEE HEALTH INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS**

	September 30,	
	2018	2017
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 9,053,802	\$ 7,830,860
Payments to suppliers	(7,554,048)	(7,730,292)
Payments to employees	(113,580)	(144,126)
	1,386,174	(43,558)
Net Cash Flows From Operating Activities		
	1,386,174	(43,558)
Cash and Cash Equivalents - Beginning of Year	3,223,671	3,267,229
Cash and Cash Equivalents - End of Year	\$ 4,609,845	\$ 3,223,671
Reconciliation of Change in Net Position to Net Cash Flows From Operating Activities		
Operating income	\$ 1,707,962	\$ (1,567)
Change in receivables	2,243	4,513
Change in prepaid	(179)	163
Change in accounts payable and other current liabilities	71	649
Change in accrued payroll and related liabilities	104	82
Change in accrued compensated absences	152	(1,406)
Change in net pension obligation	(8,197)	16,871
Change in claims payable	(328,293)	(53,199)
Change in deferred outflows	3,140	(11,514)
Change in deferred inflows	9,171	1,850
	\$ 1,386,174	\$ (43,558)
Net Cash Flows From Operating Activities		

CITY OF GADSDEN, ALABAMA

STATISTICAL SECTION

For the Year Ended September 30, 2018

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	199-202
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	203-207
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	208-211
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	212-213
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	214-216
Sources Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.	

CITY OF GADSDEN, ALABAMA

**SCHEDULE 1
NET POSITION BY COMPONENT
LAST FIVE FISCAL YEARS**

	Fiscal Years				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 55,526,421	\$ 58,221,381	\$ 61,245,198	\$ 63,375,285	\$ 68,699,482
Restricted	4,408,649	4,391,557	4,878,735	5,169,139	5,483,822
Unrestricted	<u>(49,929,922)</u>	<u>(91,051,454)</u>	<u>(88,030,877)</u>	<u>(64,110,460)</u>	<u>(57,574,386)</u>
Total Governmental Activities Net Position	<u>\$ 10,005,148</u>	<u>\$ (28,438,516)</u>	<u>\$ (21,906,944)</u>	<u>\$ 4,433,964</u>	<u>\$ 16,608,918</u>
Business-Type Activities					
Invested in capital assets, net of related debt	\$ 8,632,873	\$ 8,632,873	\$ 8,045,586	\$ 7,480,212	\$ 6,954,388
Unrestricted	<u>(4,485,436)</u>	<u>(6,602,886)</u>	<u>(6,193,554)</u>	<u>(8,017,098)</u>	<u>(5,499,625)</u>
Total Business-Type Activities Net Position	<u>\$ 4,147,437</u>	<u>\$ 2,029,987</u>	<u>\$ 1,852,032</u>	<u>\$ (536,886)</u>	<u>\$ 1,454,763</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 64,159,294	\$ 66,854,254	\$ 69,290,784	\$ 70,855,497	\$ 75,653,870
Restricted	4,408,649	4,391,557	4,878,735	5,169,139	5,483,822
Unrestricted	<u>(54,415,358)</u>	<u>(97,654,340)</u>	<u>(94,224,431)</u>	<u>(72,127,558)</u>	<u>(63,074,011)</u>
Total Primary Government Activities Net Position	<u>\$ 14,152,585</u>	<u>\$ (26,408,529)</u>	<u>\$ (20,054,912)</u>	<u>\$ 3,897,078</u>	<u>\$ 18,063,681</u>

CITY OF GADSDEN, ALABAMA

SCHEDULE 2
CHANGES IN NET POSITION
LAST FIVE FISCAL YEARS

	Fiscal Years				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities					
General government	\$ 2,178,689	\$ 2,191,507	\$ 2,416,177	\$ 2,381,006	\$ 2,360,832
Internal services	3,775,416	3,222,613	3,331,109	3,262,736	3,515,046
Public safety	23,764,469	22,868,749	23,217,184	23,700,063	23,016,188
Recreation and cultural services	7,821,845	6,888,842	8,197,657	8,382,281	8,326,216
Public works services	5,727,620	6,468,979	6,143,063	6,010,652	6,233,529
Urban development	6,509,182	6,382,086	6,355,444	4,859,328	4,661,677
Intergovernmental	3,277,880	3,399,928	3,261,942	5,121,805	5,382,911
Non-departmental	2,885,965	3,051,515	3,068,824	3,510,847	3,652,377
Interest on long-term debt	2,035,902	1,993,652	1,926,780	1,853,486	2,674,322
Bond issuance cost	200,213	-	-	-	-
Total Governmental Activities Expenses	<u>58,177,181</u>	<u>56,467,871</u>	<u>57,918,180</u>	<u>59,082,204</u>	<u>59,823,098</u>
Business-type activities					
Airport	233,734	227,127	285,428	241,547	286,087
Residential garbage	2,767,199	2,757,333	2,403,472	5,436,064	1,151,811
Golf course	1,351,328	1,298,132	1,262,018	1,241,135	1,195,295
Total Business-Type Activities Expenses	<u>4,352,261</u>	<u>4,282,592</u>	<u>3,950,918</u>	<u>6,918,746</u>	<u>2,633,193</u>
Total Primary Government Expenses	<u>\$ 62,529,442</u>	<u>\$ 60,750,463</u>	<u>\$ 61,869,098</u>	<u>\$ 66,000,950</u>	<u>\$ 62,456,291</u>
Program Revenue					
Governmental activities					
Charges for services	\$ 2,412,131	\$ 2,530,128	\$ 2,829,425	\$ 3,154,104	\$ 3,406,757
Operating grants and contributions	2,649,701	3,511,925	2,355,791	2,544,900	3,035,422
Capital grants and contributions	387,338	338,767	361,474	730,505	418,061
Total Governmental Activities Program Revenue	<u>5,449,170</u>	<u>6,380,820</u>	<u>5,546,690</u>	<u>6,429,509</u>	<u>6,860,240</u>
Business-type activities					
Charges for services	2,927,749	2,831,689	2,776,439	3,231,053	3,606,867
Total Business-Type Activities Program Revenue	<u>2,927,749</u>	<u>2,831,689</u>	<u>2,776,439</u>	<u>3,231,053</u>	<u>3,606,867</u>
Total Primary Government Program Revenue	<u>\$ 8,376,919</u>	<u>\$ 9,212,509</u>	<u>\$ 8,323,129</u>	<u>\$ 9,660,562</u>	<u>\$ 10,467,107</u>
Net Revenue (Expenses)					
Governmental activities	\$ (52,728,011)	\$ (50,087,051)	\$ (52,371,490)	\$ (52,652,695)	\$ (52,962,858)
Business-type activities	(1,424,512)	(1,450,903)	(1,174,479)	(3,687,693)	973,674
Total Primary Government Activities, Net Expense	<u>\$ (54,152,523)</u>	<u>\$ (51,537,954)</u>	<u>\$ (53,545,969)</u>	<u>\$ (56,340,388)</u>	<u>\$ (51,989,184)</u>
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 48,028,690	\$ 49,998,590	\$ 51,822,478	\$ 51,451,553	\$ 57,987,576
Licenses and permits	6,735,035	7,055,204	7,247,356	7,134,787	7,113,955
Investment earnings	552,642	536,644	520,799	506,229	490,320
Gain on disposal of assets	-	-	-	217,300	44,293
Other general revenue	581,875	518,192	544,753	500,389	519,643
Total Governmental Activities	<u>55,898,242</u>	<u>58,108,630</u>	<u>60,135,386</u>	<u>59,810,258</u>	<u>66,155,787</u>
Business-type activities					
Investment and other income	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 55,898,242</u>	<u>\$ 58,108,630</u>	<u>\$ 60,135,386</u>	<u>\$ 59,810,258</u>	<u>\$ 66,155,787</u>

CITY OF GADSDEN, ALABAMA

**SCHEDULE 3
FUND BALANCE, GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS**

	Fiscal Years		
	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund			
Nonspendable	\$ 255,837	\$ 266,482	\$ 266,661
Committed	3,428,203	2,795,072	3,222,534
Unassigned	<u>15,688,901</u>	<u>17,591,083</u>	<u>16,128,255</u>
Total General Fund	<u>\$ 19,372,941</u>	<u>\$ 20,652,637</u>	<u>\$ 19,617,450</u>
 All Other Governmental Funds			
Nonspendable	\$ 7,107,828	\$ 6,764,592	\$ 5,881,010
Restricted	4,178,782	5,159,372	5,507,495
Committed	5,762,531	6,503,391	18,660,839
Unassigned	<u>(9,316)</u>	<u>(4,273)</u>	<u>(23,877)</u>
Total All Other Governmental Funds	<u>\$ 17,039,825</u>	<u>\$ 18,423,082</u>	<u>\$ 30,025,467</u>

CITY OF GADSDEN, ALABAMA

SCHEDULE 4
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS

	Fiscal Years				
	2014	2015	2016	2017	2018
Revenue					
Taxes	\$ 48,104,490	\$ 49,998,590	\$ 51,589,558	\$ 51,265,415	\$ 57,980,118
Licenses and permits	6,735,035	7,055,204	7,247,356	7,134,787	7,113,955
Intergovernmental	2,804,797	3,935,225	2,818,115	3,359,316	3,551,297
Charges for services	1,926,757	1,997,487	2,325,917	2,332,175	2,496,318
Fines and forfeitures	624,981	565,628	523,500	504,074	638,736
Other revenue	1,131,457	848,365	975,854	1,240,562	1,183,852
Total Revenue	61,327,517	64,400,499	65,480,300	65,836,329	72,964,276
Expenditures					
Current					
General government	2,089,518	2,138,249	2,374,135	2,318,049	2,624,620
Internal services	3,076,267	3,112,755	3,225,661	3,132,984	3,505,877
Public safety	21,384,397	20,803,156	21,206,170	21,475,577	21,846,857
Recreation and cultural services	6,441,657	6,455,618	6,930,873	6,982,833	7,082,723
Public works services	5,273,963	5,180,750	5,447,202	5,549,204	5,878,115
Urban development	3,678,963	3,540,909	3,543,250	2,150,110	2,065,463
Non-departmental	2,878,594	3,042,746	3,066,715	3,458,939	3,431,097
Intergovernmental	3,277,880	3,399,928	3,261,942	5,121,805	5,382,911
Debt service					
Principal retirement	4,602,241	4,577,283	4,408,730	6,617,113	5,349,289
Interest and fiscal charges	2,130,521	2,072,359	1,933,693	1,780,659	2,272,308
Issuance costs	200,213	-	-	-	330,402
Capital outlays	9,745,865	6,880,145	7,342,856	6,771,189	26,000,419
Total Expenditures	64,780,079	61,203,898	62,741,227	65,358,462	85,770,081
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3,452,562)</u>	<u>3,196,601</u>	<u>2,739,073</u>	<u>477,867</u>	<u>(12,805,805)</u>
Other Financing Sources (Uses)					
Proceeds of general obligation warrants	-	-	-	-	20,615,000
Capital lease	2,220,050	259,694	249,998	-	1,004,555
Proceeds from long-term debt	9,615,000	-	-	-	-
Issuance of bonds	4,300,000	-	-	-	-
Payments to escrow agent and issuance costs	(8,524,083)	-	-	-	-
Proceeds from sale of assets	97,511	110,428	40,294	260,954	55,328
Discount on bonds	(41,595)	-	-	-	-
Premium on bonds	19,368	-	-	-	-
Premiums on warrants issued	-	-	-	-	2,716,095
Proceeds of refunding warrants	-	-	-	2,222,550	-
Transfers	(881,678)	(1,738,144)	(996,524)	(1,007,687)	(1,017,975)
Total Other Financing Sources (Uses)	6,804,573	(1,368,022)	(706,232)	1,475,817	23,373,003
Net Change in Fund Balances	\$ 3,352,011	\$ 1,828,579	\$ 2,032,841	\$ 1,953,684	\$ 10,567,198
Debt service as a Percentage of Noncapital Expenditures	14%	14%	13%	17%	15%

CITY OF GADSDEN, ALABAMA

**SCHEDULE 5
ASSESSSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST FIVE FISCAL YEARS**

Fiscal Year Ended September 30,	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax-Exempt Property and Abatements</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2014	75,039,680	330,875,500	32,877,840	117,794,980	320,998,040	6.00%
2015	73,358,900	348,125,940	33,372,860	119,031,080	335,826,620	6.00%
2016	71,241,760	362,821,080	32,285,140	121,723,180	347,805,040	6.00%
2017	71,190,180	369,604,740	35,882,320	119,566,180	357,111,060	6.00%
2018	78,134,040	382,864,520	34,119,080	125,348,000	369,769,640	6.00%

Source: Etowah County Revenue Commissioner

CITY OF GADSDEN, ALABAMA

**SCHEDULE 5A
TOP TEN TAX RECEIPTS BY CATEGORY
LAST FIVE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Warehouse, clubs and super centers	\$ 3,583,315	\$ 3,585,394	\$ 3,576,489	\$ 3,520,429	\$ 4,305,884
Department stores (except discount department stores)	1,166,648	-	-	915,527	-
Limited service restaurants	1,965,202	1,954,274	1,911,520	2,093,950	2,352,090
Supermarkets & other grocery stores (except convenience stores)	1,649,349	1,786,792	1,852,185	1,876,346	2,403,318
Home centers	1,289,847	1,351,931	1,409,529	1,470,809	1,837,859
Full service restaurants	1,418,296	1,472,865	1,623,684	1,639,838	1,956,539
Sporting goods stores	865,064	-	-	-	962,248
New car dealers	1,080,005	-	-	1,319,979	1,386,462
Medical, dental and hospital equipment, and supplies and merchant wholesalers	1,001,259	-	-	1,000,357	1,047,807
All other miscellaneous store retailers (except tobacco stores)	<u>651,245</u>	<u>-</u>	<u>-</u>	<u>974,289</u>	<u>1,189,263</u>
Total	<u>\$ 14,670,230</u>	<u>\$ 10,151,256</u>	<u>\$ 10,373,407</u>	<u>\$ 14,811,524</u>	<u>\$ 17,441,470</u>
City direct sales tax rate	4%	4%	4%	4%	5%

Sources: RDS

CITY OF GADSDEN, ALABAMA

**SCHEDULE 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(rate per \$1,000 of assessed value)
LAST FIVE FISCAL YEARS**

<u>City Direct Rates</u>						<u>Overlapping Rates</u>				
<u>Fiscal Year</u>	<u>Basic Rate</u>	<u>General Fund</u>	<u>School Debt Service</u>	<u>Fire Protection</u>	<u>Total Direct</u>	<u>Fire Protection</u>	<u>County School District</u>	<u>City School District</u>	<u>State</u>	<u>County</u>
2014	12	6	3	3	12	3	10	6	6.5	11.5
2015	12	6	3	3	12	3	10	6	6.5	11.5
2016	12	6	3	3	12	3	10	6	6.5	11.5
2017	12	6	3	3	12	3	10	6	6.5	11.5
2018	12	6	3	3	12	3	10	6	6.5	11.5

CITY OF GADSDEN, ALABAMA
 SCHEDULE 7
 PRINCIPAL PROPERTY TAX PAYERS
 LAST FIVE FISCAL YEARS

Taxpayer	2014			2015			2016			2017			2018		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Alabama Power Co.	\$ 26,409,420	1	8.23%	\$ 27,194,680	1	8.10%	\$ 27,493,460	1	7.90%	\$ 31,429,460	1	8.80%	\$ 59,906,356	1	16.20%
The Goodyear Tire & Rubber Company	10,885,680	2	3.39%	10,595,740	2	3.16%	16,672,600	2	4.79%	20,738,680	2	5.81%	41,969,400	2	11.35%
QHC of Gadsden, Inc.	9,712,100	3	3.03%	9,754,420	3	2.90%	9,895,820	3	2.85%	9,908,440	3	2.77%	11,455,920	3	3.10%
Riverview Regional Medical	6,151,080	4	1.92%	6,021,620	4	1.79%	6,127,040	4	1.76%	-	-	-	-	-	-
Preit Gadsden Mall, LLC	4,488,560	5	1.40%	4,526,880	5	1.35%	4,550,940	5	1.31%	4,775,440	6	1.34%	4,924,480	9	1.33%
Gadsden Regional Medical Center	3,778,240	7	1.18%	3,483,300	8	1.04%	3,197,840	8	0.92%	3,289,820	8	0.92%	-	-	-
BellSouth / AT&T Alabama	3,954,800	6	1.23%	3,870,900	6	1.15%	2,943,100	9	0.85%	-	-	-	-	-	-
State of Alabama	4,550,520	8	1.42%	2,961,000	7	0.88%	3,251,060	7	0.93%	-	-	-	-	-	-
General Electric Capital Corp	2,610,360	9	0.81%	-	-	-	-	-	-	-	-	-	-	-	-
Comcast of Alabama, Inc.	2,467,640	10	0.77%	-	-	-	-	-	-	-	-	-	4,317,040	10	1.17%
Keystone Foods	-	-	-	2,409,160	9	0.72%	-	-	-	7,558,040	4	2.12%	8,223,580	4	2.22%
Riverview Regional Medical Center	-	-	-	2,395,080	10	0.71%	-	-	-	-	-	-	-	-	-
Inteva Products, LLC	-	-	-	-	-	-	4,411,100	6	1.27%	3,988,760	7	1.12%	6,557,560	6	1.77%
Koch Foods of Gadsden LLC	-	-	-	-	-	-	2,829,040	10	0.81%	2,722,500	9	0.76%	6,072,580	7	1.64%
Prime Healthcare Services Gadsden LLC	-	-	-	-	-	-	-	-	-	4,968,260	5	1.39%	7,085,060	5	1.92%
Goodyear Tire & Rubber Co.	-	-	-	-	-	-	-	-	-	2,618,700	10	0.73%	-	-	-
Prince Metal Stamping USA Inc.	-	-	-	-	-	-	-	-	-	-	-	-	5,439,260	8	1.47%
Total	\$ 75,008,400			\$ 73,212,780			\$ 81,372,000			\$ 91,998,100			\$ 155,951,236		
Total City Taxable Assessed Value	\$ 320,998,040			\$ 335,826,620			\$ 347,805,040			\$ 357,111,060			\$ 369,769,640		

Source: Etowah County Revenue Commissioner

CITY OF GADSDEN, ALABAMA
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST FIVE FISCAL YEARS

	Taxes Levied For the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	Percentage of <u>Levy</u>		<u>Amount</u>	Percentage of <u>Levy</u>
2014	4,074,439	-	-	3,474,117	3,474,117	85.27%
2015	4,237,155	-	-	3,619,149	3,619,149	85.41%
2016	4,380,236	-	-	3,674,824	3,674,824	83.90%
2017	4,923,928	-	-	3,841,397	3,841,397	78.01%
2018	5,018,226	-	-	4,128,244	4,128,244	82.27% (a)

(a) As of report date

CITY OF GADSDEN, ALABAMA

**SCHEDULE 9
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FIVE FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities	
	General Obligation Bonds	Other Obligations	Special Obligation Bonds	General Obligation Bonds	Total Primary Government
2014	56,559,072	3,453,345	186,740	600,000	60,799,157
2015	52,815,149	2,719,216	-	500,000	60,799,157
2016	48,971,226	2,313,867	-	400,000	51,685,093
2017	45,278,726	1,587,063	-	300,000	47,165,789
2018	63,714,636	1,920,044	-	200,000	65,834,680

CITY OF GADSDEN, ALABAMA

**SCHEDULE 10
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST FIVE FISCAL YEARS**

General Bonded Debt Outstanding					
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Special Obligation Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2014	\$ 56,559,072	\$ 186,740	\$ 56,745,812	18%	\$ 1,513
2015	52,815,149	-	52,815,149	16%	1,408
2016	48,971,226	-	48,971,226	14%	1,349
2017	45,278,726	-	45,278,726	13%	1,263
2018	63,714,636	-	63,714,636	17%	1,799

CITY OF GADSDEN, ALABAMA

**SCHEDULE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2018**

	<u>Total Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Amount Applicable to City of Gadsden</u>
Direct Debt			
City of Gadsden	\$ <u>68,930,907</u>	100%	\$ <u>68,930,907</u>
Total Direct Debt	<u>68,930,907</u>	100%	<u>68,930,907</u>
Overlapping Debt			
Etowah County	<u>13,030,070</u> (1)	23%	<u>2,996,916.10</u>
Total Overlapping Debt	<u>13,030,070</u>	23%	<u>2,996,916</u>
Total Direct and Overlapping Debt	\$ <u><u>81,960,977</u></u>		\$ <u><u>71,927,823</u></u>

(1) - Balance per the 9-30-2017 audit report performed by the Alabama Department of Examiners of Public Accounts. 9-30-2017 financial statements was the most recent data available as of the report date.

CITY OF GADSDEN, ALABAMA

**SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
LAST FIVE FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 495,117,640 ⁽¹⁾
Debt limit, 20 percent of assessed value	99,023,528
Debt applicable to limit:	
Outstanding and obligation warrants, installment purchases, etc.	65,453,774
Less: Exempt amounts	<u>(37,685,479)</u>
Total Net Debt Applicable to Limit	<u>\$ 27,768,295</u>
 Legal Debt Margin	 <u>\$ 71,255,233</u>

	Fiscal Years				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	<u>\$ 87,758,604</u>	<u>\$ 90,971,540</u>	<u>\$ 93,905,644</u>	<u>\$ 95,335,448</u>	<u>\$ 99,023,528</u>
Total net debt applicable to limit	<u>\$ 37,480,490</u>	<u>\$ 33,908,750</u>	<u>\$ 30,533,750</u>	<u>\$ 31,575,192</u>	<u>\$ 27,768,295</u>
Legal debt margin	<u>\$ 50,278,114</u>	<u>\$ 57,062,790</u>	<u>\$ 63,371,894</u>	<u>\$ 63,760,256</u>	<u>\$ 71,255,233</u>
Total net debt applicable to the limit as a percentage of debt limit	43%	37%	33%	33%	28%

Note: Section 225, as amended, Constitution of State of Alabama, limits debt of the City of Gadsden to 20 percent of the assessed value of taxable property. Excluded from this limitation are bonds issued for schools, sewers and assessed improvements.

⁽¹⁾ Source: Etowah County Tax Assessor

CITY OF GADSDEN, ALABAMA

SCHEDULE 13
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FIVE FISCAL YEARS

<u>Year</u>	<u>*Population</u>	<u>*Personal Income</u>	<u>*Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2014	36,674	588,982	17,933	38	N/A	5,326	5.30%
2015	36,295	626,296	17,981	41	N/A	5,188	6.70%
2016	36,295	680,493	18,090	39	N/A	5,066	6.70%
2017	35,837	673,055	18,781	40	N/A	5,010	5.10%
2018	35,409	697,416	19,696	40	N/A	5,211	4.60%

Sources: U.S. Bureau of the Census, Gadsden BOE, Gadsden Times & the Industrial Development Authority.

CITY OF GADSDEN, ALABAMA

SCHEDULE 14
PRINCIPAL EMPLOYERS
LAST FIVE FISCAL YEARS

<u>Employer</u>	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Goodyear Tire & Rubber	1,500	1	1,605	1	1,605	1	1,698	1	1,583	1
Gadsden Regional Medical Center	1,200	2	1,200	3	1,200	3	1,142	3	1,168	3
Etowah County Board of Education	1,054	3	1,515	2	1,515	2	1,200	2	1,256	2
Riverview Regional Medical Center	850	4	850	4	850	4	600	8	743	7
Wal-Mart	737	5	737	5	737	5	737	6	750	6
Gadsden State Community College	727	6	722	6	722	6	742	5	618	9
Gadsden City Schools	628	7	624	7	624	8	635	7	641	8
Koch Foods	500	8	576	8	624	7	760	4	800	4
City of Gadsden	500	9	500	9	500	9			767	5
Keystone Foods	460	10	466	10	466	10	507	10	479	10
Inteva Products, LLC							580	9		

Source: Gadsden Industrial Development Authority

CITY OF GADSDEN, ALABAMA

SCHEDULE 15
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST FIVE FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government					
Mayor's Office	6	5	5	5	5
Revenue	4	4	4	4	4
City Clerk	3	3	3	3	3
Public Affairs	-	-	-	-	2
Public Safety					
Police Department					
Officers	102	104	101	106	106
Civilian	30	28	31	31	31
Fire Department					
Firefighters	114	114	114	114	114
Officers	8	8	8	8	8
Civilians	2	2	2	2	2
Judicial	2	6	6	6	6
Animal Control	3	3	3	3	3
Civil Defense	3	3	3	3	3
Communications	3	3	3	2	2
Public Works					
Maintenance	19	19	19	19	19
Street Painting	5	5	4	4	4
Street Cleaning	10	10	10	10	10
Street Maintenance	39	38	38	38	40
Internal Service					
Finance	6	6	6	6	6
M.I.S.	3	3	3	4	4
Purchasing	1	1	1	1	1
Personnel	3	3	3	3	3
Legal	2	2	3	3	3
Fleet	19	19	20	20	20
Recreation and Culture					
Parks and Recreation	43	43	43	43	44
Convention Hall	2	2	2	2	2
Cemetery	6	6	6	6	6
Library	18	18	18	18	18
Museum of Arts	3	3	3	3	3
Golf Course	6	6	6	6	6
Urban Development					
Engineering	7	7	6	6	7
Building	6	7	7	7	8
Planning	6	6	6	6	6
Total	<u>484</u>	<u>487</u>	<u>487</u>	<u>492</u>	<u>499</u>

Source: City Budget

CITY OF GADSDEN, ALABAMA

SCHEDULE 16
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST FIVE FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police					
Physical Arrests	2,820	2,296	2,296	2,742	3,727
Parking Violations	343	96	149	115	98
Traffic Violations	7,176	4,103	5,774	7,373	6,233
Fire					
Emergency Responses	7,258	7,940	8,284	8,608	7,837
Fires extinguished	296	236	299	247	240
Inspections	1,970	1,970	1,310	1,520	1,420
Public Works					
Potholes repaired	8,200	9,500	8,600	9,600	9,200
Parks and Recreation					
Community center admissions	312,155	359,680	449,530	466,087	499,059
Library					
Volumes in collection	106,384	102,741	106,013	104,983	105,987
Total volumes borrowed	180,255	167,100	194,174	150,073	136,910

Note: The City of Gadsden does not issue permits for Athletic Fields.

Source: Various City Departments

CITY OF GADSDEN, ALABAMA

SCHEDULE 17
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST FIVE FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police					
Stations	2	2	2	2	2
Patrol units	49	50	47	54	57
Fire Stations	8	8	8	8	8
Other Public Works					
Street (miles)	372	372	372	372	372
Highways (miles)	35	35	35	35	35
Streetlights	4,020	4,024	4,034	4,039	4,044
Traffic signals	139	139	139	140	140
Parks and Recreation					
Acreage	686	686	694	694	694
Playgrounds	16	16	16	16	16
Baseball/Softball diamonds	19	19	19	19	19
Soccer/Football fields	14	14	14	14	14
Community centers	9	9	9	9	9

Source: Various City Departments

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 Gadsden, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gadsden, Alabama (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2019. Our report includes a reference to other auditors who audited the financial statements of Gadsden City Board of Education and the Gadsden Airport Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's 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*.

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.

Birmingham, Alabama
March 15, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council
City of Gadsden, State Alabama

Report on Compliance for Each Major Federal Program

We have audited the City of Gadsden, Alabama's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Gadsden City Board of Education, which received \$8,818,094 in federal awards which is not included in City's schedule of expenditures of federal awards during the year ended September 30, 2018. Our audit, described below, did not include the operations of the Gadsden City Board of Education because it was required to have a separate audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama
March 15, 2019

CITY OF GADSDEN, ALABAMA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended September 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Passed Through to Sub recipient</u>	<u>Total Expended</u>
Federal Awards:				
Department of Housing & Urban Development:				
<u>Direct Programs:</u>				
Community Development Block Grant	14.218	B-14-MC-010004	\$ -	\$ 293,367
Community Development Block Grant	14.218	B-16-MC-010004	7,360	255,215
Community Development Block Grant	14.218	B-17-MC-010004	88,773	590,518
Community Development Block Grant	14.218	B-18-MC-010004	-	26,601
Continuum of Care	14.218	AL0124L4C051400	-	7,913
<u>Passed Through Alabama Department of Economic and Community Affairs:</u>				
Emergency Solutions Grant	14.231	HESG-17-006	-	53,612
Total Department of Housing & Urban Development			<u>96,133</u>	<u>1,227,226</u>
U.S. Department of Justice				
<u>Direct Programs:</u>				
Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0181		32,900
Bulletproof Vest Partnership Grant	16.607			11,875
Total U.S. Department of Justice				<u>44,775</u>
Department of Health & Human Services				
<u>Passed Through Alabama Commission on Aging:</u>				
Special Program for Aging Title III B	93.044	04-18-03-16		5,385
Special Program for Aging Title III C	93.045	04-18-03-16		6,803
Total Department of Health & Human Services				<u>12,188</u>
Department of Agriculture				
<u>Passed Through Alabama Department of Education:</u>				
Summer Food Service Program for Children	10.559	AEZ-0000		113,044
Total Department of Agriculture				<u>113,044</u>
Department of Homeland Security				
<u>Passed Through Alabama Emergency Management Agency:</u>				
Emergency Management State & Local Assistance	97.042	18-EMPG-31		63,132
Hazard Mitigation Grant Program	97.039	FEMA-4176-30-HMGP-AL		6,631
Hazard Mitigation Grant Program	97.039	FEMA-4176-31-HMGP-AL		6,651
Total Department of Homeland Security				<u>76,414</u>
Department of Transportation				
<u>Direct Programs:</u>				
Federal Transit Formula Grant	20.507	AL-90-X343		566,774
Federal Transit Formula Grant	20.507	AL-90-X344		148,562
<u>Passed Through Alabama Department of Transportation:</u>				
Highway Planning and Construction Grant	20.205	Z450-100067405		134,530
ADA TE Grant	20.205	TAPAA-TR14(921)		135,555
Total Alabama Department of Transportation				<u>985,421</u>
Total Federal Awards			<u>\$ 96,133</u>	<u>\$ 2,459,068</u>

CITY OF GADSDEN, ALABAMA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended September 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Passed Through to Sub recipient</u>	<u>Total Expended</u>
State Awards:				
Atlanta Public Library Service Library Grant		SA-00-03	\$	57,157
Emergency Management Performance Grant		18EMA		3,709
Alabama Department of Environmental Management		ARF-17-08-144		13,560
Total State Awards			<u>\$ -</u>	<u>\$ 74,426</u>
Total Federal and State Awards			<u>\$ 96,133</u>	<u>\$ 2,533,494</u>

CITY OF GADSDEN, ALABAMA

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2018

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gadsden, Alabama (the City) under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF GADSDEN, ALABAMA

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

A. Summary of Audit Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified not considered to be material weaknesses? _____ Yes X No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

CFDA #14.218 – Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

B. Financial Statement Findings

None Reported

C. Federal Award Findings and Questioned Costs

None Reported

D. Summary of Prior Year Findings

None Reported