



# CITY OF LEEDS, ALABAMA

## REGULAR COUNCIL MEETING AGENDA

City Hall Annex - Meeting Room - 1412 9th St, Leeds, AL 35094

June 17, 2024 @ 6:00 PM **\*\*Revised\*\***

To view this meeting online:

<https://meet.goto.com/CityofLeeds>

[Public Participation Sign-up](#)

### CALL COUNCIL MEETING TO ORDER

### ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

### CUTOFF FOR PUBLIC COMMENT SIGN-UP

*Anyone wishing to address the Council during the Public Comment section of the meeting must have completed their registration by this point in the meeting.*

### APPROVE COUNCIL MINUTES

- [1.](#) Minutes from June 03, 2024

### REPORTS OF OFFICERS:

2. Mayor David Miller
- [3.](#) City Administrator Watson  
Over-time Reports
4. City Clerk Arbitelle
5. Police Chief Irwin
6. Fire Chief Parsons
7. Court Magistrate Roberts
8. Superintendent Williams
9. Public Works Director Warren
10. Social Services Director Bryan

### OLD BUSINESS:

### NEW BUSINESS:

- [11.](#) Resolution 2024-06-05: Consider an agreement with ALDOT related to traffic signal maintenance
- [12.](#) Resolution 2024-06-06: Consider Accepting FY2023 City Audit

### PUBLIC COMMENTS

*All comments are to be limited to 2 minutes*

### ADJOURNMENT

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In compliance with the Americans with Disabilities Act, those requiring accommodation for Council

meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 205-699-2585.

If you wish to speak at this meeting, please use the following web address:

[Public Participation Sign-Up](#)

QR code to sign up



**File Attachments for Item:**

1. Minutes from June 03, 2024



# CITY OF LEEDS, ALABAMA

## REGULAR COUNCIL MEETING MINUTES

City Hall Annex - Meeting Room - 1412 9th St, Leeds, AL 35094

June 03, 2024 @ 6:00 PM

### CALL COUNCIL MEETING TO ORDER

Mayor David Miller called the meeting to order at 6:04 pm.

### ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

#### PRESENT

Mayor David Miller  
Council member Kenneth Washington  
Council member Eric Turner  
Council member Johnny Dutton  
Council member Devoris Ragland-Pierce

#### ABSENT

Council member Angie Latta

#### INVOCATION

Council member Eric Turner

#### PLEDGE OF ALLEGIANCE

Mayor David Miller

### CUTOFF FOR PUBLIC COMMENT SIGN-UP

### APPROVE COUNCIL MINUTES

1. Minutes from May 06, 2024

Motion to approve Minutes from May 06, 2024 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

### REPORTS OF OFFICERS:

2. Mayor David Miller

Mayor Miller announced that playground rebuilding would be coming soon and would be ADA-compliant.

3. City Administrator Watson

No report

4. City Clerk Arbitelle

- No report
5. Police Captain Reaves  
No report
  6. Fire Chief Parsons  
Chief Parsons announced it was National CPR and AED Awareness Week. City Buildings will have an AED available for use in the coming weeks. Also, the Fire Department has a CPR class on the first Tuesday of each month.
  7. Court Magistrate Roberts  
No report
  8. Superintendent Williams  
No report
  9. Public Works Director Warren  
No report
  10. Social Services Director Bryan  
No report

## **PUBLIC HEARING**

11. RA23-000006 - A request by Bert Boykin, Applicant, High Tide Oil Company, Inc., Owner, to rezone certain parcels of property from R-2, Single Family District to I-2, Heavy Industrial District at 8514 Pearl St, 35094, TPID 2500281002004000, Jefferson County.  
  
Mr. Bert Boykin, the representative for High Tide, addressed the Council regarding his rezoning request.  
  
Mr. Bill Morris, the Leeds Water Works Board General Manager, opposed their request because it is within 350' of their well.  
  
No one else spoke on this item. Item was referred to Council.
12. RA24-000001 - A request by Michael Myrick, Applicant and Owner, to rezone the identified parcels for future development in compliance with court order, to change the zoning from R-2 Single Family District/R-5 Garden Home District to PCD Planned Community Development, located at 1730 Jones St (Site Only), TPID(s) 25-00-16-4-001-001.000, 26-05-16-1-001-029.000 , 26-05-16-1-001-037.000, 26-05-16-1-001-040.000 , and 26-05-16-1-001-042.000, Zoned R-2, Single Family District and R-5 Garden Home District, St. Clair Co  
  
No one addressed the Council on behalf of the applicant.  
  
City Attorney Scott Barnett explained the Order from the Circuit Court of St Clair County (Pell City Division).  
  
Several spoke in opposition: Ms. Jane Grace, 1916 Kent Circle; Ms. Susan Carswell, 2120 Montevallo Road; Ms. Mary Hanlin, 1904 Kent Circle; Ms. Leigh Davis, 1624 Oliver Road; Ms. Merrel Stringer, 8568 Dover Drive and Mr. Jeff Nettles, 8545 Dover Drive.  
  
No one else spoke on this item. Item was referred to Council.
13. To consider a public Nuisance Abatement at Shiloh Cemetery.  
  
Mayor Miller explained that a giant tree fell on some tombstones. Since this is private property, the council must approve an abatement order.

No one else spoke on this item. Item was referred to Council.

Public Hearing closed at 7:05 pm.

**OLD BUSINESS:**

There was none.

**NEW BUSINESS:**

14. Ordinance 2024-06-01: Consider a Rezoning Request from R-2 (Single Family Residential) to I-2 (Heavy Industrial District) at 8514 Pearl Street

Motion for Unanimous Consent to consider Ordinance 2024-06-01 made by Council member Turner, Seconded by Council member Ragland-Pierce. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

Motion to deny Ordinance 2024-06-01 made by Council member Turner, Seconded by Council member Ragland-Pierce. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

15. Ordinance 2024-06-02: Consider a Rezoning Request from R-2 (Single Family Residential) to PCD (Planned Community Development PR1) at 1730 Jones Street

Motion for Unanimous Consent to consider Ordinance 2024-06-02 made by Council member Washington, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

Motion to approve Ordinance 2024-06-02 made by Council member Washington, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

16. Resolution 2024-06-01: Consider Approval of 2024 "Back-to-School" Sales Tax Holiday

Motion to approve Resolution 2024-06-01 made by Council member Ragland-Pierce, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

17. Resolution 2024-06-02: Consider Budget Amendment allowing for Splash Pad Refurbishments

Motion to approve Resolution 2024-06-02 made by Council member Dutton, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

18. Resolution 2024-06-03: Consider Adoption and Ratification of March 2024 City Expenditures/Payables

Motion to approve Resolution 2024-06-03 made by Council member Dutton, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

19. Resolution 2024-06-04: Consider Adoption and Ratification of April 2024 City Expenditures/Payables

Motion to approve Resolution 2024-06-04 made by Council member Dutton, Seconded by Council member Washington. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

- 20. To consider a public Nuisance Abatement at Shiloh Cemetery.

Motion to approve Resolution 24-000808 made by Council member Turner, Seconded by Council member Ragland-Pierce. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

- 21. Executive Session

Mayor Miller stated it was no longer needed.

**PUBLIC COMMENTS**

Mr. Stanley Siegrist, 7040 Briarwood Lane, addressed the Council regarding a Spire distribution line.

Ms. Victoria Winborn, 7694 Georgia Avenue, addressed the Council regarding her issues with vandalism and the Police Department.

**ADJOURNMENT**

Motion to adjourn made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Washington, Council member Turner, Council member Dutton, Council member Ragland-Pierce

The meeting was adjourned at 7:35 pm.

\_\_\_\_\_  
David Miller, Mayor

Attest:

\_\_\_\_\_  
Toushi Artbitelle, City Clerk

**File Attachments for Item:**

3. City Administrator Watson  
Over-time Reports



# Department Hours- OT

From 05/14/24 to 05/27/24

Department	OT	Totals
	134:51	134:51

ADM-1	3:38	3:38
CRT-11	0:40	0:40
FIRE1-26	23:00	23:00
LIB-70	1:00	1:00
POL-22	51:54	51:54
STR-80	54:39	54:39

# Department Hours- OT

From 05/28/24 to 06/10/24

Department	OT	COM	PDC	Totals
	140:00	77:00	24:00	241:00
ADM-1	0:09	77:00		77:09
CRT-11	0:55			0:55
DEV-50	4:08			4:08
FIRE1-26	15:00			15:00
FIRE2-26	3:15			3:15
LIB-70	9:30			9:30
P&R	0:34			0:34
POL-22	65:52		24:00	89:52
STR-80	40:37			40:37

**File Attachments for Item:**

11. Resolution 2024-06-05: Consider an agreement with ALDOT related to traffic signal maintenance

**RESOLUTION NO 2024-06-05**

**WHEREAS**, The Alabama Department of Transportation (“ALDOT”) has requested the City of Leeds, Alabama to execute a permit (agreement) for the removal, equipment upgrade, operation, and maintenance of new traffic signals at the following intersections:

- SR-4 (US-78/Parkway Drive) at 8<sup>th</sup> Street
- SR-4 (US-78/Parkway Drive) at 9<sup>th</sup> Street

**WHEREAS**, The City Council has considered the request of the ALDOT to authorize the Mayor to enter into an agreement to permit the installation of the traffic signals as identified hereinabove.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Leeds, Alabama, at a regular meeting, duly assembled, a quorum being present, as follows:

1. That the Mayor and City Clerk are hereby authorized to execute the permit (Exhibit A) with the Alabama Department of Transportation to permit the following:
  - a. The removal, equipment upgrade, operation, and maintenance of traffic signals at the following intersections:
    - SR-4 (US-78/Parkway Drive) at 8<sup>th</sup> Street
    - SR-4 (US-78/Parkway Drive) at 9<sup>th</sup> Street
2. That the Mayor and City Clerk are authorized to execute any documents necessary to permit the construction of the traffic signals provided herein above as required by the Alabama Department of Transportation.
3. That this resolution shall become effective immediately upon its adoption by the City Council of the City of Leeds, Alabama.

**ADOPTED and APPROVED** this the 17<sup>th</sup> day of June, 2024.

CITY OF LEEDS, ALABAMA

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

**ABSTAIN:** \_\_\_\_\_

STATE OF ALABAMA) JEFFERSON COUNTY)

I, the undersigned City Clerk of the City of Leeds, do hereby certify that the foregoing Resolution No.2024-06-05 is a true and correct copy of the resolution passed by the City Council of said City at a regular meeting, a quorum being present, on June 17th, 2024.

Given under my hand and the corporate seal of the City of Leeds, this the 17th day of June, 2024.

\_\_\_\_\_  
City Clerk

For Official Use Only: ALDOT Agreement Number: \_\_\_\_\_

Region Tracking Number: \_\_\_\_\_ Project Number: \_\_\_\_\_

Region: ECR - Birmingham Area County: Jefferson

**STATE OF ALABAMA** acting by and through the  
**ALABAMA DEPARTMENT OF TRANSPORTATION: AGREEMENT for the**  
*INSTALLATION and/or OPERATION and/or MAINTENANCE OF TRAFFIC CONTROL SIGNALS and/or*  
*ROADWAY LIGHTING*

This Agreement, in accordance with resolution number R2024-06-05 dated (or minutes dated) June 17, 2024 attached hereto and made part of this Agreement, is made and entered into by and between the Alabama Department of Transportation (herein referred to as STATE) and the City of Leeds, Alabama (herein referred to as **MAINTAINING AGENCY**) for the accomplishment of the following work as hereinafter indicated by the alphabetic letter of "X" marked in the check-boxes below, to wit:

	(A) New Installation	(B) Equipment Upgrade	(C) Complete Removal	(D) Operation	(E) Maintenance
Traffic Control Signal:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Intersection Flashing Signal/Beacon:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roadway Lighting:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The accomplishment of the work indicated by the alphabetic letter of "X" marked in the check-box(es) above and hereinafter signified by the use of the corresponding alphabetic letter A, B, C, D, and/or E as applicable, will be at the following location(s): *{Example: AL-3/US-31 @ Main Street [A, D, & E] denotes the installation, operation, and maintenance of the equipment installed}* **NOTE** – if more space is needed, please use continuation sheets.

Traffic Control Signal: SR-4 (US-78/Parkway Drive) at 8th Street (B,C,D,&E)  
Traffic Control Signal: SR-4 (US-78/Parkway Drive) at 9th Street (B,C,D,&E)

- For the purposes of this Agreement, "equipment and/or associated hardware" shall refer to the equipment and/or associated hardware used to install, upgrade, maintain, and/or operate traffic control signals, intersection flashing signals/beacons, roadway lighting, and/or other as specified in the chart above.
- In the event the work to be accomplished above is identified by (A) and/or (B), the  STATE  MAINTAINING AGENCY will furnish and the  STATE  MAINTAINING AGENCY will install the equipment and/or associated

hardware utilized in the accomplishment of the work. In the event the STATE contributes funds to the work and the MAINTAINING AGENCY will be credited or debited for under-runs or overruns respectively, the “**Exhibit O**” is attached to and made part of this Agreement.

3. The equipment and/or associated hardware shall be installed in accordance with the applicable portions of the:
  - A. Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD), current ALDOT approved edition.
  - B. State of Alabama Project Details and Special and Standard Highway Drawings, current year version.
  - C. National Electrical Code, current edition.
  - D. Alabama Department of Transportation (ALDOT) Standard Specifications for Highway Construction, current edition and applicable special provisions.
  - E. Code of Alabama, 1975 (as Amended) with specific reference to:
    - (1) §23-1-113, Municipal Connecting Link Roads – Stipulations and Conditions [specifically sub-paragraphs (6) and (7)].
    - (2) §32-5A-32, Traffic – Control signal legend.
    - (3) §32-5A-33, Pedestrian – Control signals.
    - (4) §32-5A-34, Flashing signals.
    - (5) §32-5A-35, Lane – Direction – Control signals.
4. The STATE shall determine the quantity of the equipment and/or associated hardware to be utilized in the accomplishment of the work identified by (A) and/or (B) above. In the event the MAINTAINING AGENCY furnishes the equipment and/or associated hardware to be utilized in the accomplishment of the work identified by (A) and/or (B) above, the MAINTAINING AGENCY shall ascertain that the type and quality of the equipment and/or associated hardware is in accordance with the STATE’s Materials, Sources, and Devices with Special Acceptance Requirements (APL) as maintained by the STATE’s Bureau of Materials and Tests.
5. It is the sole responsibility of the MAINTAINING AGENCY to locate and/or relocate any and all utilities in conflict with the installation, upgrade, and/or maintenance of equipment and associated hardware prior to commencing work to install, upgrade, and/or maintain equipment and associated hardware. The MAINTAINING AGENCY will locate and/or relocate such utilities in accordance with all applicable Federal and State laws, regulations, and procedures. Associated utility costs will be at the sole expense of the MAINTAINING AGENCY. In the event utilities are damaged during the installation, upgrade, and/or maintenance of equipment and associated hardware due to failure of the MAINTAINING AGENCY to relocate and/or relocate such utilities, the MAINTAINING AGENCY shall be responsible for providing the funding to pay for any and all associated costs to repair the utilities.
6. Title to any and all equipment and/or associated hardware furnished by the STATE shall remain in the STATE and the STATE is deemed to be the sole owner of such equipment and/or hardware.
7. The equipment and/or associated hardware shall be operated and maintained at the sole expense of the MAINTAINING AGENCY. The MAINTAINING AGENCY agrees to provide electrical energy on a continuing basis as required, beginning at the time of the initial electrical service connection during the construction of the system. The MAINTAINING AGENCY agrees further to maintain the equipment and/or associated hardware in a good state of repair at all times, as required in

accordance with the applicable documents: Manual on Uniform Traffic Control Devices for Streets and Highways and the Alabama Department of Transportation Standard Specifications for Highway Construction and applicable special provisions. Any traffic control signal equipment and/or associated hardware must also be maintained in accordance with any traffic signal operating plan of the STATE which is in effect at the applicable time of the maintenance. If a malfunction of the equipment and/or associated hardware should ever occur, the MAINTAINING AGENCY shall make or cause to be made any repairs immediately. If a malfunction presents a potential hazard to the motoring public and the MAINTAINING AGENCY is unable to repair the equipment and/or associated hardware in a timely manner as determined by the STATE, the MAINTAINING AGENCY agrees that the STATE reserves the right to and may repair the equipment and/or associated hardware, and invoice the MAINTAINING AGENCY for all costs incurred. The MAINTAINING AGENCY agrees to pay the STATE all such costs incurred by the STATE promptly upon receipt of the invoice from the STATE.

7a. In instances where ALDOT maintains a fiber-optic trunk line that is used in conjunction with a closed-loop signal system, the MAINTAINING AGENCY shall maintain the fiber-optic cable from the splice point in the trunk line out to the traffic control equipment.

8a. Installation requests made by the MAINTAINING AGENCY and identified on page one as “(A) New Installation” with “Traffic Control Signal” marked must follow the Traffic Signal Warrant and Justification procedure as identified in the Alabama Department of Transportation Traffic Signal Design Guide and Timing Manual, latest edition. For any warrant study/analysis which does not satisfy a traffic signal warrant or warrants, the MAINTAINING AGENCY agrees to accept any and all responsibility for any damage or injury that may be caused by or related to the installation, location, operation, sequencing, and/or maintenance of the equipment and/or associated hardware and shall defend, indemnify, and hold harmless the State of Alabama, the Alabama Department of Transportation, and its agents, servants, employees, in their official or individual capacities and/or facilities from and against all claims, damages, losses and expenses, including but not limited to attorney’s fees, arising out of or resulting from the installation, operation, and maintenance of the equipment and/or associated hardware, or any claim, damage, loss, or expense to the person or property caused. A copy of the warrant study/analysis shall be attached to and made part of this Agreement.

8b. Check one:

The  CITY (Incorporated Municipality)

Subject to the limitations on damages applicable to municipal corporations under Alabama Code § 11-47-190(1975), the CITY shall indemnify and hold harmless the State of Alabama, the Alabama Department of Transportation, its officers, officials, agents, servants, and employees from and against (1) claims, damages, losses, and expenses, including but not limited to attorney’s fees arising out of, connected with, resulting from, or related to the work performed by the CITY, or its officers, employees, contracts, agents or assigns (2) the provision of any services or expenditure of funds required, authorized, or undertaken by the CITY pursuant to the terms of this Agreement, or (3) any damage, loss, expense, bodily injury, or death, or injury or destruction or tangible property (other than the work itself), including loss of use therefrom, and including but not limited



to attorney’s fees, caused by the willful, negligent, careless, or unskillful acts of the CITY, its agents, servants, representatives, or employees, or the misuse, misappropriation, misapplication, or misexpenditure of any source of funding, compensation, or reimbursement by the CITY, its agents, servants, representatives, or employees, or anyone for whose acts the CITY may be liable.

The  COUNTY (County Government or Agency)

The COUNTY shall be responsible at all times for all of the work performed under this agreement and, as provided in Alabama Code § 11-93-2(1975), the COUNTY shall indemnify and hold harmless the State of Alabama, the Alabama Department of Transportation, its officers, officials, agents, servants, and employees.

For all claims not subject to Alabama Code § 11-93-2(1975), the COUNTY shall indemnify and hold harmless the State of Alabama, the Alabama Department of Transportation, its officers, officials, agents, servants, and employees from and against any and all damages, claims, loss, liabilities, attorney’s fees or expense whatsoever, or any amount paid in compromise thereof arising out of, connected with, or related to (1) work performed under this Agreement, (2) the provision of any services or expenditure of funds required, authorized, or undertaken by the COUNTY pursuant to the terms of this Agreement, or (3) misuse, misappropriation, misapplication, or misexpenditure of any source of funding, compensation or reimbursement by the COUNTY, its officers, officials, agents, servants, and employees.

The term “hold harmless” includes the obligation of the MAINTAINING AGENCY to pay damages on behalf of the State of Alabama, the Alabama Department of Transportation, and its agents, servants, and/or employees.

- 9. Complete removal of the equipment and/or associated hardware, hereinabove identified by (C), will be at the sole expense of the  STATE  MAINTAINING AGENCY.
- 10. The STATE reserves the right to demand the removal of the equipment and/or associated hardware should the STATE determine that the signal is no longer required or deem its condition or operation hazardous. Further, the STATE shall have the right to remove the equipment and/or associated hardware should the MAINTAINING AGENCY fail to do so upon demand by the STATE. The MAINTAINING AGENCY agrees to reimburse the STATE for its costs associated with the removal. Any equipment and/or associated hardware which is deemed by the STATE to be non-uniform or obsolete will be removed and disposed of by the MAINTAINING AGENCY. None of the non-uniform or obsolete equipment and/or associated hardware which has been removed shall be reused on the STATE highway system.
- 11. If future traffic conditions require changes and/or adjustments to said equipment and/or associated hardware (other than ordinary timing), the MAINTAINING AGENCY shall obtain the approval of the STATE before such changes are implemented and the STATE shall make a determination on whether a new Agreement is required to be submitted for the UPGRADING, OPERATION, and MAINTENANCE of the new equipment and/or associated hardware. All such changes shall be at the sole cost and expense of the MAINTAINING AGENCY.

12. At such time as a warrant study is conducted on an existing signalized intersection and the results differ from the previous warrant study conducted at that signalized intersection, a new Agreement for Installation and/or Operation and/or Maintenance of Traffic Control Signals and/or Roadway Lighting shall be executed with the MAINTAINING AGENCY.

13. In the event Federal funds are utilized in the accomplishment of the work hereinbefore described, "Exhibit M" is attached to and made a part of this Agreement.

14. FUNDS SHALL NOT BE CONSTITUTED AS A DEBT

It is agreed that the terms and commitments contained herein shall not be construed as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this Agreement shall contravene any statute or Constitutional Provision or Amendment, then the conflicting provision in this Agreement shall be deemed null and void.

For any and all disputes arising under the terms of this Agreement, the parties hereto agree, in compliance with the recommendations of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation by and through the Attorney General's Office of Administrative Hearings or where appropriate, private mediators.

15. The type and number of signal & pedestrian heads per intersection or roadway lighting hardware are as follows: {Example: 5 – 3 sec, 12", red ball, yellow/green left arrow. OPTION: If plans are available to convey information below, just enter "SEE ATTACHED PLANS".} **NOTE – If more space is needed, please use continuation sheets.**

SEE ATTACHED SIGNAL CONSTRUCTION PLANS

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TYPE OF SIGNAL		CONTROLLER	
<input checked="" type="checkbox"/> Traffic Control	<input type="checkbox"/> Pedestrian Control	Make: Econolite	Model #: Cobalt
<input type="checkbox"/> Flashing	<input type="checkbox"/> Lane Control	<input type="checkbox"/> Fixed Time	<input type="checkbox"/> Two Phase
<input type="checkbox"/> School Flasher	<input type="checkbox"/> Railroad Crossing	<input type="checkbox"/> Semi Actuated	<input type="checkbox"/> Four Phase
<input type="checkbox"/> Other: _____		<input checked="" type="checkbox"/> Full Actuated	<input checked="" type="checkbox"/> Eight Phase
_____		<input type="checkbox"/> Other: _____	
_____			
		SYSTEM <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

16. In the event the work to be accomplished is identified by (A), (B), and/or (C) and [1] in part or wholly constitutes an interconnected, coordinated, fixed time relationship, signal control operation between two or more intersections (herein referred to as a SYSTEM and hereinabove indicated by the SYSTEM check-box for YES marked in the controller box above), [2] is located within the limits of a SYSTEM, or [3] is within close proximity as to adjoin a SYSTEM, the  STATE  MAINTAINING AGENCY shall substantiate the work identified by (A), (B), and/or (C) to be SYSTEM compatible.
17. By entering into this agreement, the MAINTAINING AGENCY is not an agent of the State, its officers, employees, agents or assigns. The MAINTAINING AGENCY is an independent entity from the State and nothing in this agreement creates an agency relationship between the parties.
18. By signing this contract, the contracting parties affirm, for the duration of this agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of this agreement and shall be responsible for all damages resulting there from.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE TO FOLLOW.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by those officers, officials, and persons thereunto duly authorized, and the Agreement is deemed to be dated and to be effective on the date stated hereinafter as the date of the approval of the Region Engineer.

(Seal of MAINTAINING AGENCY)

**City of Leeds, Alabama**

Legal Name of MAINTAINING AGENCY

Attest: \_\_\_\_\_  
(Seal or notary signature)

By: \_\_\_\_\_  
Authorized Signature for MAINTAINING AGENCY

Agreement Recommended for approval:

By: \_\_\_\_\_  
Area Traffic Engineer Signature

**STATE OF ALABAMA acting by and through the ALABAMA DEPARTMENT OF TRANSPORTATION**

The within and foregoing Agreement is hereby approved on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

APPROVED:

RECORDED:

By: \_\_\_\_\_  
Region Engineer Signature

By: \_\_\_\_\_  
State Traffic Engineer Signature

Date: \_\_\_\_\_  
(Added to Archive)

**File Attachments for Item:**

12. Resolution 2024-06-06: Consider Accepting FY2023 City Audit

# CITY OF LEEDS

## RESOLUTION NO.: 2024-06-06

### RESOLUTION ACCEPTING 2022-2023 CITY AUDIT

**WHEREAS**, it is required by §11-43-85 of the Code of Alabama 1977 for the Mayor to present to the City Council the annual audit report; and

**WHEREAS**, Cork Hill and Company, CPA has completed the 2022-2023 Annual Audit Report at the direction of the Mayor; and

**WHEREAS**, said audit report is due to be presented and the auditors paid, therefore.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds that:

1. The Recitals above are true, correct and included herein as if fully set forth.
2. The attached 2022-2023 annual City audit is hereby recognized and approved as presented.
3. The related expense for the subject audit shall be paid as determined by the Mayor.
4. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein.

**ADOPTED and APPROVED** this the 17th day of June 2024.

CITY OF LEEDS, ALABAMA

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

In my capacity as City Clerk of the City of Leeds, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 17th day of June 2024.

\_\_\_\_\_  
City Clerk

**THE CITY OF LEEDS, ALABAMA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

THE CITY OF LEEDS, ALABAMA  
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Cork, Hill & Company, L.L.C.

## INDEPENDENT AUDITORS' REPORT

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

### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities, each major fund and the remaining fund information of the City as of September 30, 2023 and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability, and the Schedule of Employer Contributions 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented in supplement to the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquiries of management about the method 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the Board'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 this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board's internal control over financial reporting and compliance.

*Cork, Hill & Company, LLC*

Birmingham, Alabama

May 20, 2024



Cork, Hill & Company, L.L.C.

**INDEPENDENT AUDITORS' 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 of  
The City of Leeds, 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, each major fund, and the aggregate remaining fund information of the City of Leeds, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Leeds, Alabama's basic financial statements, and have issued our report thereon dated May 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Leeds, Alabama's internal control over financial reporting (internal control) as a basis for designing 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 of Leeds, Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Leeds, Alabama'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 or significant deficiencies may exist that were not identified.

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Leeds, Alabama'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 financial statements. 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.

*Cork, Hill & Company, LLC*

Birmingham, Alabama  
May 20, 2024

**THE CITY OF LEEDS, ALABAMA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 32,999,729	\$ -
Restricted cash and cash equivalents	11,431,546	718,495
Receivables, net	2,798,239	-
Prepaid expenses	569,156	-
Right-of-use lease asset	481,589	-
Capital assets:		
Land and construction in process, not being depreciated	11,442,161	2,459,408
Other capital assets, net of accumulated depreciation	23,936,266	26,290,820
Total capital assets	<u>35,378,427</u>	<u>28,750,228</u>
Total assets	<u>83,658,686</u>	<u>29,468,723</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	2,933,259	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 86,591,945</u>	<u>\$ 29,468,723</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,194,034	\$ -
Long-term liabilities:		
Right-of-use lease liability	504,032	-
Due within one year	2,274,631	1,655,000
Due in more than one year	68,437,630	31,203,554
Accrued interest	848,810	718,479
Compensated absences	734,834	-
Pension liability	8,815,964	-
Bond premium	-	1,889,305
Total liabilities	82,809,935	35,466,338
<b>DEFERRED INFLOWS OF RESOURCES</b>	371,876	-
<b>NET POSITION</b>		
Net investment in capital assets	(36,182,644)	28,750,228
Restricted for:		
Debt service	4,864,890	-
Capital projects	3,007,758	-
Public safety	3,689,316	-
Unrestricted net position / (deficit)	<u>28,030,814</u>	<u>(34,747,843)</u>
Total net position / (deficit)	<u>3,410,134</u>	<u>(5,997,615)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 86,591,945</u>	<u>\$ 29,468,723</u>

See Independent Auditors' Report and Notes to the Financial Statements.

**THE CITY OF LEEDS, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Function / Program	Expenses	Program Revenues			Net (Expense)/ Revenue and Change in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
Administrative services	\$ 6,813,149	\$ 44,155	\$ 566,012	\$ -	\$ (6,202,982)	
Redevelopment expenses	601,462	9,660	-	25,000	(566,802)	
Public safety	8,929,779	626,197	115,415	145,320	(8,042,847)	
Streets and sanitation	1,693,958	250,975	-	-	(1,442,983)	
Parks and recreation	292,421	27,780	-	-	(264,641)	
Library	443,258	-	-	-	(443,258)	
Interest on long-term debt	1,923,008	-	-	-	(1,923,008)	
Total governmental activities	\$ 20,697,035	\$ 958,767	\$ 681,427	\$ 170,320	(18,886,521)	
Component Unit:						
Public Education Building Authority						\$ (2,250,556)
General Revenues:						
Taxes:						
					18,037,082	-
					1,776,306	-
					8,428,250	-
					349,710	-
					(3,255,047)	-
					448,348	-
					25,784,649	-
					(3,139,510)	3,139,510
					3,758,618	888,954
					(348,484)	(6,886,569)
					\$ 3,410,134	\$ (5,997,615)

See Independent Auditors' Report and Notes to the Financial Statements.

**THE CITY OF LEEDS, ALABAMA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>REDEVELOPMENT AUTHORITY</u>	<u>NONMAJOR GOVT. FUNDS</u>	<u>TOTALS - GOVT. FUNDS</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 26,652,705	\$ 6,180,038	\$ 104,168	\$ 62,818	\$ 32,999,729
Restricted cash and cash equivalents	3,689,316	4,864,890	-	2,877,340	11,431,546
Receivables, net	2,667,821	-	-	130,418	2,798,239
Right-of-use lease asset	-	-	481,589	-	481,589
Prepaid expenses	569,156	-	-	-	569,156
<b>Total assets</b>	<u>\$ 33,578,998</u>	<u>\$ 11,044,928</u>	<u>\$ 585,757</u>	<u>\$ 3,070,576</u>	<u>\$ 48,280,259</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,194,034	\$ -	\$ -	\$ -	\$ 1,194,034
Right-of-use lease liability	-	-	504,032	-	504,032
<b>Total liabilities</b>	<u>1,194,034</u>	<u>-</u>	<u>504,032</u>	<u>-</u>	<u>1,698,066</u>
<b>Fund balances:</b>					
Nonspendable	569,156	-	-	-	569,156
Restricted	3,689,316	4,864,890	-	2,926,033	11,480,239
Committed	-	-	-	-	-
Unassigned	28,126,492	6,180,038	81,725	144,543	34,532,798
<b>Total fund balance</b>	<u>32,384,964</u>	<u>11,044,928</u>	<u>81,725</u>	<u>3,070,576</u>	<u>46,582,193</u>
<b>Total liabilities and fund balances</b>	<u>\$ 33,578,998</u>	<u>\$ 11,044,928</u>	<u>\$ 585,757</u>	<u>\$ 3,070,576</u>	<u>\$ 48,280,259</u>

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

Total governmental fund balance	\$ 46,582,193
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	35,378,427
Bonds, deferred inflows/outflows, and other long-term liabilities are not due and payable in the current period and are not reported in the funds	(78,550,486)
<b>Net position</b>	<u>\$ 3,410,134</u>



**THE CITY OF LEEDS, ALABAMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	GENERAL FUND	DEBT SERVICE	REDEVELOPMENT AUTHORITY	NONMAJOR GOVT. FUNDS	TOTAL GOVT. FUNDS
<b>Revenues:</b>					
Taxes	\$ 20,865,222	\$ -	\$ -	\$ -	\$ 20,865,222
Licenses and permits	3,828,992	-	-	-	3,828,992
Intergovernmental	3,017,946	-	-	976,562	3,994,508
Charges for services	374,571	-	9,660	-	384,231
Fines and forfeitures	1,358,457	-	-	-	1,358,457
Interest	337,113	19,751	-	11,635	368,499
Other	756,611	212,839	-	-	969,450
Total revenues	<u>30,538,912</u>	<u>232,590</u>	<u>9,660</u>	<u>988,197</u>	<u>31,769,359</u>
<b>Expenditures:</b>					
Current operations:					
General government	5,324,822	-	-	-	5,324,822
Public safety:					
Fire and rescue	3,565,033	-	-	-	3,565,033
Police and court	4,478,780	-	-	-	4,478,780
Streets and sanitation	1,702,059	-	-	53,805	1,755,864
Parks and recreation	75,110	-	-	-	75,110
Library	464,528	-	-	-	464,528
Redevelopment expenses	1,786,970	-	106,579	-	1,893,549
Total current operations	<u>17,397,302</u>	<u>-</u>	<u>106,579</u>	<u>53,805</u>	<u>17,557,686</u>
Capital outlays	1,601,980	-	-	-	1,601,980
Debt service:					
Principal	-	2,236,265	-	-	2,236,265
Interest and fiscal charges	-	1,693,204	-	-	1,693,204
Total expenditures	<u>18,999,282</u>	<u>3,929,469</u>	<u>106,579</u>	<u>53,805</u>	<u>23,089,135</u>
Revenues over / (under) expenditures	11,539,630	(3,696,879)	(96,919)	934,392	8,680,224
<b>Other financing sources / (uses):</b>					
Interfund transfers in	-	5,500,000	133,239	-	5,633,239
Interfund transfers out	(5,627,679)	-	-	(5,560)	(5,633,239)
Transfers to component unit	(1,900,081)	(1,239,429)	-	-	(3,139,510)
Total other financing sources / (uses)	<u>(7,527,760)</u>	<u>4,260,571</u>	<u>133,239</u>	<u>(5,560)</u>	<u>(3,139,510)</u>
Net change in fund balance	4,011,870	563,692	36,320	928,832	5,540,714
Fund balances, beginning	28,373,094	10,481,236	45,405	2,141,744	41,041,479
Fund balances, ending	<u>\$ 32,384,964</u>	<u>\$ 11,044,928</u>	<u>\$ 81,725</u>	<u>\$ 3,070,576</u>	<u>\$ 46,582,193</u>

See Independent Auditors' Report and Notes to the Financial Statements.

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

Net change in Fund Balances - Total Governmental Funds \$ 5,540,714

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset disposals, and related depreciation, exceeded capital asset additions in the current period. (3,609,223)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,236,265

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore; are not reported as expenditures in governmental funds. (409,138)

Change in net position of governmental activities \$ 3,758,618

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The financial statements of the City of Leeds, Alabama (the City) have been prepared in conformity 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 following is a summary of the significant accounting policies.

**Reporting Entity**

The City of Leeds, Alabama was incorporated in 1887 under the laws of Alabama and is governed by an elected Mayor and City Council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are in substance, part of the government's operations and so, data from these entities are combined with data from the City. Discretely presented component units are reported in a separate column of the financial statements to emphasize they are legally separate from the City and have the potential to impose a financial benefit or burden to the City.

Blended Component Units: There are two blended component units of the City of Leeds, Alabama: the Leeds Commercial Development Authority (CDA) and the Leeds Redevelopment Authority (RDA). The financial information of the CDA and RDA have been blended with that of the City because they provide services entirely for the City.

Leeds Commercial Development Authority - The Leeds Commercial Development Authority was formed for the purpose of promoting commercial development in the City. The members of the CDA are appointed by the Leeds City Council. The CDA is presented as a governmental fund. Separate financial statements are not issued by the CDA. The City of Leeds, Alabama is responsible for the operations of the CDA.

Leeds Redevelopment Authority - The Leeds Redevelopment Authority was formed for the purpose of promoting and fostering redevelopment of a defined portion of the City. The members of the RDA are appointed by the Leeds Mayor. The RDA is presented as a governmental fund. Separate financial statements are not issued by the RDA. The City of Leeds, Alabama is responsible for the operations of the RDA.

Discretely Presented Component Unit - There is one discretely presented component unit of the City of Leeds, Alabama, the Leeds Public Education Building Authority (PEBA).

Leeds Public Education Building Authority - The PEBA was formed for the purpose of managing the assets and revenue bonds used to build new schools for the City of Leeds Board of Education (Leeds BOE). The members of the board of directors of PEBA are appointed by the City of Leeds and a portion of the debt service on the 2008 Education Facilities Revenue Bonds is to be repaid by PEBA with certain pledged tax revenues it receives from the City of Leeds. The 2008 Education Facilities Revenue Bonds have been refunded and the terms of the agreement apply to the new bond issue. The City's obligation is limited to providing a portion of the City's supplemental sales and use tax revenues (with a general rate of one cent) and occupational tax (with a rate of one percent) to PEBA as a credit against the lease payments required to be paid to PEBA by the Leeds BOE. The lease payments required to be paid to PEBA by the Leeds BOE are equal to the debt service each year on the 2008 Educational Facilities Revenue Bonds. Leeds BOE is required to pay the difference in lease payments if the City's pledged tax revenues are not sufficient to cover the debt service on those bonds.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Government-Wide Financial Statements**

Financial reporting requirements include a Management's Discussion and Analysis, basic financial statements consisting of government-wide and fund financial statements, required supplemental information, and other supplemental information. The City has elected not to present the Management's Discussion and Analysis.

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide Statement of Net Position is presented on a consolidated basis which includes all funds and blended component units and on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs by functional category that are being supported by general revenues, primarily taxes. The Statement of Activities reduces gross expenses by directly related program revenues. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not included in program revenues are reported as general revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are budgeted and presented on the *current financial resource measurement focus* and the *modified accrual* basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustments necessary to reconcile them.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

All of the City's funds fall under the broad classification of governmental funds. Governmental funds focus on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) and not net income. The following is a description of the major governmental funds of the City:

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

Debt Service Fund - Accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

Non-major funds are aggregated and presented in a single column. The City's non-major funds are comprised of special revenue funds and blended component units. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Property Tax Calendar**

All ad valorem (real property) taxes levied by municipalities in Jefferson County, St. Clair County and Shelby County are assessed by their respective County Tax Assessor and collected by their respective County Tax Collector. Property values are assessed, and property taxes attach as an enforceable lien on property as of October 1 of each fiscal year. The property taxes are due and payable on October 1 of the subsequent fiscal year and are delinquent after January 1.

**Cash and Cash Equivalent**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with a duration of one year or less from the date of acquisition. Restricted cash represents amounts that have been placed into escrow for payment of bond principal and interest as it becomes due and amounts in special revenue accounts that are restricted by the revenue source.

**Receivables**

Receivables are reported net of an allowance for uncollectibles, which is based upon collection experience.

**Prepaid Items**

Payments to vendors for services that will benefit periods beyond year end are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Fund accounting reports capital outlays as expenditures and does not recognize capital assets and

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

depreciation. Under the government-wide, accrual basis of reporting, general capital assets are long-lived assets of the City as a whole. When purchased, such assets are capitalized subject to a \$5,000 capitalization threshold. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements - 15 to 60 years; improvements and infrastructure - 5 to 60 years; equipment - 5 to 15 years.

**Bond Premium**

On government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are shown as additional long-term liabilities on the Statement of Net Position.

On the governmental fund financial statements, bond premiums are recognized in the year the bonds are issued.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources, which represent a consumption of net position that applies to a future period and therefore, will not be recognized as an outflow of resources (expense) until then. The City currently has three types of items that qualify for reporting in this category; the deferred loss on refunding debt, differences between expected and actual pension service costs and deferred pension expense. The deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the lesser of the life of the refunded or refunding debt. The differences between expected and actual pension service costs occur when actuarially projected amounts differ from actual results. These differences are amortized over 5 to 10.5 years. Deferred pension expense results from contributions made after the liability measurement date. These contributions will be incorporated in the actuarial calculations of the next measurement date.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources, which represent an acquisition of net position that applies to a future period and as such, will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows for differences in expected and actual pension experience that are being amortized over 7 years, differences in projected and actual pension investment earnings that are being amortized over 5 to 10.5 years.

**Long-Term Obligations**

The government-wide financial statements present long-term debt and other long-term obligations as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Net Position and Fund Balance**

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt associated with the acquisition, construction, or improvement of these assets reduces this category.

Restricted Net Position - This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted - This category represents the net position of the City that is not restricted for any project or other purpose by third parties.

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which a City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Non-Spendable Fund Balance - Amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by an Ordinance, the City's highest level of decision-making authority (the City Council). The City Council must adopt an ordinance to modify or rescind committed fund balances.

Assigned Fund Balance - Amounts that are constrained by the City's expressed intent to use resources for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has the authority to assign amounts intended to be used for specific purposes.

Unassigned Fund Balance - All amounts not included in other spendable classifications. As of September 30, 2023, all funds report a positive unassigned fund balance amount.

**Compensated Absences**

The City accrues unused portions of vacation pay in the period the fund liability is incurred. The vesting method is used to accrue sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Pension Plan**

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

**Use of Estimates**

In preparing these financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - DISCRETELY PRESENTED COMPONENT UNIT**

The Public Education Building Authority (PEBA) is included in the government-wide financial statements as a discretely presented component unit. The PEBA is comprised of a single fund and does not issue its own financial statements. The financial statements are presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The policies and disclosures related to the PEBA that are significant to the City of Leeds are summarized as follows:

**Nature of Operations**

The PEBA was formed for the purpose of managing the assets and revenue bonds used to build new schools for the Leeds Board of Education (BOE). The members of the board of directors of PEBA are appointed by the City of Leeds and a portion of the debt service on the 2008 Educational Facilities Revenue Bonds is to be repaid by PEBA with certain pledged tax revenues it receives from the City of Leeds. The 2008 Educational Facilities Revenue Bonds were refunded and the same terms apply to the new bond issue. The City’s obligation is limited to providing a portion of the City’s supplemental sales and use tax revenues and occupational tax both with tax rate of one cent to PEBA as a credit against the lease payments required to be paid to PEBA by the BOE. The lease payments required to be paid to PEBA by the BOE are equal to the debt service each year on the 2008 Educational Facilities Revenue Bonds. The BOE is required to pay the difference in lease payments if the City’s pledged tax revenues are not sufficient to cover the debt service on the bonds.

**Restricted Cash and Cash Equivalents**

Restricted assets include cash and cash equivalents restricted for debt service. The PEBA had \$718,495 on deposit with the trustee at September 30, 2023.



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

**NOTE 2 - DISCRETELY PRESENTED COMPONENT UNIT - Continued**

**Accrued Interest**

Accrued expenses at September 30, 2023 includes accrued interest which totaled \$718,479.

**Bonds Payable**

The PEBA has three outstanding bond issues, Series 2015, Series 2016, and Series 2017. The 2015 Series bears interest from 1.65% to 4% and will mature April 1, 2032. The principal amount outstanding at September 30, 2023 totaled \$8,655,000. The 2016 Series bears interest ranging from 1.75% to 4.00% and will mature April 1, 2035. The principal amount outstanding at September 30, 2023 totaled \$6,680,000. The 2017 Series bears interest ranging from 2.13% to 5.00% and will mature April 1, 2038. The principal amount outstanding at September 30, 2023 totaled \$18,880,000. Bonds payable are presented net of the bond discounts and bond discount accumulated amortization. As of September 30, 2023, the bond discount, net of accumulated amortization, totaled \$1,356,446.

**Net Position**

Net position is accounted for by the PEBA in the same manner as it is accounted for the City.

**NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Balance Sheet - Governmental Funds includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "bonds and other long-term liabilities are not due and payable in the current period and are not reported in the funds." The details of that difference are as follows:

Bonds and notes payable	\$ (71,076,724)
Unamortized loss on refunding	364,463
Deferred inflows and outflows related to pension	2,561,383
Accrued interest payable	(848,810)
Compensated absences	(734,834)
Pension liability	<u>(8,815,964)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (78,550,486)</u>

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

**NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - Continued**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances include a reconciliation between changes 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 that difference are as follows:

Capital outlays	\$ 1,601,980
Capital disposals	\$ (6,513,532)
Net depreciation	<u>1,302,329</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (3,609,223)</u></u>

**NOTE 4 - CASH DEPOSITS AND INVESTMENTS**

The City does not have a formal, written investment policy; however, state law limits the kinds of investments that Alabama municipalities can make to: (1) accounts and certificates of deposits with banks or savings associations that are qualified public depositories; (2) direct obligations of the U.S. Department of the Treasury and certain federal agencies (collectively referred in this note as "USTO"; (3) certain qualified obligations of any state and their agencies; and (4) common trust funds, collective investment funds maintained by qualified institutions, or any registered mutual funds, all of which must hold a prescribed amount of obligations meeting the requirements of 1-3 above.

**Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**Custodial Credit Risk - Deposits**

The City has a policy that all of its deposits be insured by federal depository insurance or the Security for Alabama Funds Enhancement, or SAFE program, which was the case for all bank deposits as of September 30, 2023. The SAFE program is administered by the State Treasurer according to State of Alabama statute, and any bank or financial institution in the State of Alabama accepting deposits of public funds is required to insure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The entire pool stands behind each deposit. Eligible collateral are those securities currently designated as acceptable collateral for state deposits as defined by State law.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 5 - RECEIVABLES**

Receivables consist of the following as of September 30, 2023:

	<u>ENTITY WIDE</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>REDEVELOPMENT AUTHORITY</u>	<u>NONMAJOR GOVT. FUNDS</u>	<u>COMP. UNIT</u>
Taxes	\$ 2,772,663	\$ 2,642,245	\$ -	\$ -	\$ 130,418	\$ -
Other	25,576	25,576	-	-	-	-
	<u>2,798,239</u>	<u>2,667,821</u>	<u>-</u>	<u>-</u>	<u>130,418</u>	<u>-</u>
Less allowance for uncollectibles	-	-	-	-	-	-
	<u>\$ 2,798,239</u>	<u>\$ 2,667,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,418</u>	<u>\$ -</u>

**NOTE 6 - INTERFUND TRANSFERS**

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. The composition of interfund balances as of September 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Debt Service Fund	General Fund	\$ 5,500,000
Redevelopment Authority	General Fund	<u>133,239</u>
		<u>\$ 5,633,239</u>
 <b><u>Transfers to Component Unit</u></b>		
Public Education Building Authority (PEBA)	Debt Service Fund	\$ 1,239,429
Public Education Building Authority (PEBA)	General Fund	<u>1,900,081</u>
		<u>\$ 3,139,510</u>

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 - CAPITAL ASSETS AND DEPRECIATION**

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ENDING BALANCE</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Not being depreciated:				
Land	\$ 14,525,326	\$ -	\$ (3,083,165)	\$ 11,442,161
	<u>14,525,326</u>	<u>-</u>	<u>(3,083,165)</u>	<u>11,442,161</u>
Other capital assets:				
Buildings and improvements	8,384,285	718,113	(629,823)	8,472,575
Equipment, technology, and rolling equipment	7,953,202	92,822	(1,716,227)	6,329,797
Roads, sidewalks, bridges and drainage structures	22,990,664	-	(64,630)	22,926,034
Vehicles	5,039,799	791,045	(1,019,687)	4,811,157
	<u>44,367,950</u>	<u>1,601,980</u>	<u>(3,430,367)</u>	<u>42,539,563</u>
Accumulated depreciation:				
Buildings and improvements	(2,568,042)	(189,104)	372,876	(2,384,270)
Equipment, technology, and rolling equipment	(5,065,388)	(403,973)	1,638,392	(3,830,969)
Roads, sidewalks, bridges and drainage structures	(9,435,926)	(632,514)	64,630	(10,003,810)
Vehicles	(2,836,270)	(567,665)	1,019,687	(2,384,248)
	<u>(19,905,626)</u>	<u>(1,793,256)</u>	<u>3,095,585</u>	<u>(18,603,297)</u>
Net other capital assets	<u>24,462,324</u>	<u>(191,276)</u>	<u>(334,782)</u>	<u>23,936,266</u>
Net capital assets	<u>\$ 38,987,650</u>	<u>\$ (191,276)</u>	<u>\$ (3,417,947)</u>	<u>\$ 35,378,427</u>
<b>COMPONENT UNIT:</b>				
Not being depreciated:				
Land	\$ 2,459,408	\$ -	\$ -	\$ 2,459,408
	<u>2,459,408</u>	<u>-</u>	<u>-</u>	<u>2,459,408</u>
Other capital assets:				
Buildings and improvements	32,699,982	-	-	32,699,982
Furniture and equipment	2,795,467	-	-	2,795,467
Streets, sidewalks and infrastructure	1,743,452	-	-	1,743,452
	<u>37,238,901</u>	<u>-</u>	<u>-</u>	<u>37,238,901</u>
Accumulated depreciation	<u>(10,187,660)</u>	<u>(760,421)</u>	<u>-</u>	<u>(10,948,081)</u>
Net other capital assets	<u>27,051,241</u>	<u>(760,421)</u>	<u>-</u>	<u>26,290,820</u>
Net capital assets	<u>\$ 29,510,649</u>	<u>\$ (760,421)</u>	<u>\$ -</u>	<u>\$ 28,750,228</u>

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 - CAPITAL ASSETS AND DEPRECIATION - Continued**

Depreciation was charged to functions as follows:

	<b>CITY</b>
Streets and sanitation	\$ 9,875
Parks and recreation	160,141
Public safety	799,193
Administrative services	<u>824,047</u>
	<u>\$ 1,793,256</u>
Component unit	<u>\$ 760,421</u>

**NOTE 8 - BONDS, NOTES AND OTHER LONG-TERM LIABILITIES**

General Obligation Warrants

The City issues general obligation (“G.O.”) warrants, which are a direct obligation and pledge of the full faith and credit of the City, for the acquisition and construction of major capital facilities or to refund other G.O. warrants.

Long-term liability activity for the year ended September 30, 2023 is as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance 9/30/2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 9/30/2023</u>	<u>Amounts Due Within One Year</u>
General Obligation Warrants:						
2017 Series	2.0 - 3.8	\$ 12,910,000	\$ -	\$ 430,000	\$ 12,480,000	\$ 445,000
2017 A Series	2.0 - 3.8	540,000	-	265,000	275,000	275,000
2017 B Series	2.0 - 3.8	410,000	-	135,000	275,000	135,000
2020A Series	1.63 - 3.09	3,990,000	-	-	3,990,000	-
2020B Series	1.63 - 3.07	46,830,000	-	360,000	46,470,000	365,000
2020C Series	3.275	2,577,989	-	101,265	2,476,724	104,631
2021A Series	1.06 - 2.36	2,215,000	-	20,000	2,195,000	20,000
2021B Series	.31 - 2.36	<u>10,080,000</u>	<u>-</u>	<u>925,000</u>	<u>9,155,000</u>	<u>930,000</u>
Total General Obligation Warrants		<u>\$ 79,552,989</u>	<u>\$ -</u>	<u>\$ 2,236,265</u>	\$ 77,316,724	<u>\$ 2,274,631</u>
Less:						
Funding agreements from Leeds Board of Education for Series 2017					(6,240,000)	
Unamortized discounts					<u>(364,463)</u>	
Net general obligation warrants payable					<u>\$ 70,712,261</u>	

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 8 - BONDS, NOTES AND OTHER LONG-TERM LIABILITIES - Continued**

**Component Unit**

Description	Interest Rate	Balance 9/30/2022	Issued	Retired	Balance 9/30/2023	Amounts Due Within One Year
Series 2015						
Revenue Bonds dated December 8, 2015 due in semi-annual payments on April 1 and October 1 through April 1, 2032 Principal due annually on April 1	1.65 - 4.0	\$ 8,725,000	\$ -	\$ 70,000	\$ 8,655,000	70,000
Series 2016						
Revenue Bonds dated March 15, 2016 due in semi-annual payments on April 1 and October 1 through April 1, 2035 Principal due annually on April 1	1.75 - 4.0	\$ 6,730,000	-	50,000	\$ 6,680,000	50,000
Series 2017						
Revenue Bonds dated March 15, 2017 due in semi-annual payments on April 1 and October 1 through April 1, 2038 Principal due annually on April 1	2.13 - 5.0	\$ 20,340,000	-	1,460,000	\$ 18,880,000	1,535,000
Total long-term liabilities		<u>\$ 35,795,000</u>	<u>\$ -</u>	<u>\$ 1,580,000</u>	<u>\$ 34,215,000</u>	<u>\$ 1,655,000</u>
Less:						
Unamortized discounts					<u>(1,356,446)</u>	
Net general obligation warrants payable					<u>\$ 32,858,554</u>	

**Funding Agreement**

The City issued the Series 2013 and 2014 General Obligation School Warrants while simultaneously entering into a funding agreement with the Leeds Board of Education (BOE). The funding agreement sets forth that the BOE agrees to pay the City such amounts as shall be required so that for each calendar year during the term, the City’s net debt service payments will equal the lesser of 50% of all principal and interest maturities on the warrants or \$450,000. The Series 2013 and 2014 General Obligation School Warrants were refunded through the issuance of the Series 2017 General Obligation School Warrants in October 2017. The funding agreement transferred to the new Series 2017 General Obligation School Warrants with the same terms.

**Source of Repayment of Long-Term Liabilities**

The City’s long-term debt is generally repaid from the Debt Service fund with resources provided by the General Fund. Compensated absences are generally paid with General Fund resources since most of the activities affecting the liability occur within General Fund departments.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 8 - BONDS, NOTES AND OTHER LONG-TERM LIABILITIES - Continued**

Principal maturities of G.O. warrants and notes payable are as follows for the fiscal years ended:

<u>September 30,</u>	<u>CITY</u>		<u>COMPONENT UNIT</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	2,274,631	1,926,629	1,655,000	1,436,958
2025	2,323,110	1,897,296	1,735,000	1,357,633
2026	2,341,704	1,874,186	1,825,000	1,274,070
2027	2,375,418	1,851,536	1,905,000	1,186,157
2028	2,424,255	1,826,939	2,000,000	1,094,083
2029-2033	12,848,449	8,487,892	11,300,000	4,129,573
2034-2038	14,785,427	6,963,748	13,795,000	1,694,618
2039-2043	17,753,730	4,615,880	-	-
2044-2048	20,190,000	1,762,962	-	-
	<u>\$ 77,316,724</u>	<u>\$ 31,207,068</u>	<u>\$ 34,215,000</u>	<u>\$ 12,173,092</u>

**NOTE 9 - LEASE OBLIGATIONS**

The City leases certain parking lots under noncancelable operating lease agreements. Lease expense paid during the year ended September 30, 2023 totaled \$38,517.

Lease payable in 240 installments of \$3,210; maturing May 2038. An incremental borrowing rate of 2.36% was used in calculating net present value of future cash flows.

Future lease payments are as follows:

2024	\$ 38,520
2025	38,520
2026	38,520
2027	38,520
2028	38,520
2029-2033	192,600
2034-2038	192,600
2039-2043	25,630
	<u>\$ 603,430</u>

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 9 - LEASE OBLIGATIONS - Continued**

Operating Leases:

Future lease payments	\$	603,430
Less: discounted cash flows of future lease payments in calculating present value		121,841
Present value of future lease payments:	\$	481,589
 Operating lease right-of-use-assets	 \$	 481,589
 Operating lease liability - current portion	 \$	 26,911
Operating lease liability - noncurrent portion		477,121
Total operating lease liabilities:	\$	504,032

The right of use lease asset and lease liability balances decrease over the life of the lease as follows:

	ROU Asset	ROU Liability
2024	\$ 30,740	\$ 26,911
2025	30,740	27,553
2026	30,740	28,211
2027	30,740	28,884
2028	30,740	29,573
2029-2033	153,700	158,790
2034-2038	153,700	178,657
2039-2043	20,489	25,453
	\$ 481,589	\$ 504,032

**NOTE 10 - RISK MANAGEMENT**

The City maintains commercial insurance policies to mitigate the risk of significant losses. Management believes the amount of insurance maintained to be adequate. There have been no significant reductions in insurance coverage. Insurance settlements have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES**

The City is involved in various lawsuits at September 30, 2023, substantially all of which will be covered by insurance in the event of a settlement or judgement against the City.

The City, in order to foster economic growth, has entered into the following agreements: The City has entered into tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992 to promote economic development. Under the Act, cities, counties and public industrial authorities have the ability to abate sales and use taxes and property taxes for various time periods depending on the type of business. The total amount rebated under these agreements for the year ended September 30, 2023 was \$1,661,887. The balances remaining to be paid under these agreements as of September 30, 2023 cannot be determined since the total to be paid is dependent upon future sales tax, rental tax and business license revenue from each development.



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

**NOTE 12 - PENSION PLAN**

**Plan Description** - The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

The ERS Board of Control consists of 15 trustees as follows:

- The Governor, ex officio.
- The State Treasurer, ex officio.
- The State Personnel Director, ex officio.
- The State Director of Finance, ex officio.
- 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.
- Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - 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.
  - Two vested active state employees.
  - One full time employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - One full time employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - One full time employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - One full time employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

**Benefits Provided** - State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. 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 are allowed 2.0125% of their average final compensation for each year of service.

Tier 1 employees who retire after age 60 with 10 or more years of creditable service or with 25 years of service (regardless of age) 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 1 retirees are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

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

**NOTE 12 - PENSION PLAN - Continued**

Tier 2 employees are eligible for retirement after age 62 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 retirees are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

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

As of September 30, 2022, membership consisted of:

Retirees and beneficiaries currently receiving benefits	55
Vested inactive members	5
Non-vested inactive members	46
Active members	90
Post-DROP participants who are still in active service	-
	<hr/>
Total	<u>196</u>

**Contributions** - Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS were required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. Employers participating in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676, Tier 1 regular members' contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 certified law enforcement, correctional officers', and firefighters' member contribution rates increased from 6% to 8.5% of earnable compensation. Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The City's contractually required contribution rate for the year ended September 30, 2023 was 14.45% of pensionable pay for Tier 1 employees, and 12.68% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2020, a percent of annual pensionable payroll, and an actuarially determined 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 \$730,402 for the year ended September 30, 2023.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 - PENSION PLAN - Continued**

**Net Pension Liability**

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

	<u>Expected</u>	<u>Actual Before Plan Changes</u>	<u>Actual After Plan Changes</u>
(a) Total Pension Liability as of September 30, 2021	\$ 19,132,053	\$ 19,339,913	\$ 19,345,995
(b) Discount rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2021 - September 30, 2022	465,241	424,445	465,539
(d) Transfers Among Employers:	-	267,665	267,665
(e) Actual Benefit Payments and Refunds for the period October 1, 2021 - September 30, 2022	(1,395,970)	(1,395,970)	(1,395,970)
(f) Total Pension Liability as of September 30, 2022 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5*(b))]	\$ 19,574,662	\$ 20,065,672	\$ 20,072,506
(g) Difference between Expected and Actual		\$ 491,010	
(h) Less Liability Transferred for Immediate Recognition		267,665	
(i) Difference between Expected and Actual - Experience (Gain)/Loss = (g) - (h)		\$ 223,345	
(j) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			\$ 6,834

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

Inflation	2.50%
Salary increases	3.25% - 6.00%
Investment rate of return*	7.45%

\*Net of pension plan investment expense

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

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 - PENSION PLAN - Continued**

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	15.00%	2.80%
US Large Stocks	32.00%	8.00%
US Mid Stocks	9.00%	10.00%
US Small Stocks	4.00%	11.00%
Int'l Developed Market Stocks	12.00%	9.50%
Int'l Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash Equivalents	5.00%	1.50%
<b>Total</b>	<b>100%</b>	

**Discount rate.** The discount rate used to measure the total pension liability at September 30, 2022 was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan 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 and a municipal bond rate was not used in determining the discount rate.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 - PENSION PLAN - Continued**

**Changes in Net Pension Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balances at September 30, 2021</b>	\$ 19,132,053	\$ 12,915,464	\$ 6,216,589
Changes for the year:			
Service cost	465,241	-	465,241
Interest	1,373,338	-	1,373,338
Changes of benefit terms	6,834	-	6,834
Changes of assumptions	-	-	-
Differences between expected and actual experience	223,345	-	223,345
Contributions - employer	-	744,044	(744,044)
Contributions - employee	-	376,598	(376,598)
Net investment income	-	(1,651,259)	1,651,259
Benefit payments, including refunds of employee contributions	(1,395,970)	(1,395,970)	-
Administrative expense	-	-	-
Transfers among employers	267,665	267,665	-
Net changes	940,453	(1,658,922)	2,599,375
<b>Balances at September 30, 2022</b>	<u>\$ 20,072,506</u>	<u>\$ 11,256,542</u>	<u>\$ 8,815,964</u>

**Sensitivity of the net pension liability to changes in the discount rate.** The following table presents the City’s net pension liability calculated using the discount rate of 7.45%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	<b>1% Decrease (6.45%)</b>	<b>Current Discount Rate (7.45%)</b>	<b>1% Increase (8.45%)</b>
Plan's Net Pension Liability (Asset)	\$ 11,121,018	\$ 8,815,964	\$ 6,896,995

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

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 - PENSION PLAN - Continued**

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

For the year ended September 30, 2023, the City recognized pension expense of \$969,326. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 284,676	\$ 371,876
Changes of assumptions	556,593	-
Net difference between projected and actual earnings on plan investments	1,361,588	-
Employer contributions subsequent to the Measurement Date	730,402	-
Total	\$ 2,933,259	\$ 371,876

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

Amortization of Deferred Inflows / Outflows:	
Year ended September 30,	
2024	\$ 1,149,282
2025	332,489
2026	398,769
2027	672,253
2028	8,590
Thereafter	-
	\$ 2,561,383

**NOTE 13 - ECONOMIC DEPENDENCY**

Sales and use tax revenue accounted for 57 percent of total governmental fund-type revenues for the year ended September 30, 2023.

**THE CITY OF LEEDS, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 14 - FUTURE ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address:

- Statement No. 99, *Omnibus 2022*, which relates to the extension of the use of LIBOR, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in statement No. 34 and terminology updates that take effect upon issuance. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, that will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*, that will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective will be achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

**NOTE 15 - SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through May 20, 2024, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**



**THE CITY OF LEEDS, ALABAMA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - RETIREMENT SYSTEMS OF ALABAMA**  
**FOR THE YEAR ENDED SEPTEMBER 30,**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 465,241	\$ 424,445	\$ 342,404	\$ 375,585	\$ 348,488	\$ 399,675	\$ 367,882	\$ 358,605	\$ 381,946
Interest	1,373,338	1,294,750	1,290,503	1,289,420	1,306,503	1,287,757	1,234,560	1,185,534	1,156,691
Changes of benefit terms	6,834	-	315,103	-	-	-	-	-	-
Differences between expected and actual experience	223,345	162,216	(532,417)	-	(473,971)	(25,982)	224,420	330,754	-
Changes of assumptions	-	833,345	-	(59,956)	86,107	-	692,767	-	-
Benefit payments, including refunds of employee contributions	(1,395,970)	(1,293,180)	(1,359,241)	(1,468,161)	(1,338,653)	(1,353,226)	(1,330,876)	(1,193,260)	(1,162,956)
Transfers among employers	267,665	248,950	(34,231)	(177,274)	23,887	(73,621)	6,641	-	-
<b>Net change in total pension liability</b>	940,453	1,670,526	22,121	(40,386)	(47,639)	234,603	1,195,394	681,633	375,681
<b>Total pension liability - beginning</b>	19,132,053	17,461,527	17,439,406	17,479,792	17,527,431	17,292,828	16,097,434	15,415,801	15,040,120
<b>Total pension liability - ending (a)</b>	<u>\$20,072,506</u>	<u>\$19,132,053</u>	<u>\$17,461,527</u>	<u>\$17,439,406</u>	<u>\$17,479,792</u>	<u>\$17,527,431</u>	<u>\$17,292,828</u>	<u>\$16,097,434</u>	<u>\$15,415,801</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 744,044	\$ 626,477	\$ 523,802	\$ 477,559	\$ 461,968	\$ 482,623	\$ 486,514	\$ 468,873	\$ 439,609
Contributions - member	376,598	352,054	263,152	245,917	239,059	237,767	249,717	230,745	237,993
Net investment income	(1,651,259)	2,352,881	590,892	278,013	982,163	1,279,525	983,470	120,289	1,151,891
Benefit payments, including refunds of employee contributions	(1,395,970)	(1,293,180)	(1,359,241)	(1,468,161)	(1,338,653)	(1,353,226)	(1,330,876)	(1,193,260)	(1,162,956)
Transfers among employers	267,665	248,950	(34,231)	(177,274)	23,887	(73,621)	6,641	(123,502)	(123,408)
<b>Net change in plan fiduciary net position</b>	(1,658,922)	2,287,182	(15,626)	(643,946)	368,424	573,068	395,466	(496,855)	543,129
<b>Plan net position - beginning</b>	12,915,464	10,628,282	10,643,908	11,287,854	10,919,430	10,346,362	9,950,896	10,447,751	9,904,622
<b>Plan net position - ending (b)</b>	<u>\$11,256,542</u>	<u>\$12,915,464</u>	<u>\$10,628,282</u>	<u>\$10,643,908</u>	<u>\$11,287,854</u>	<u>\$10,919,430</u>	<u>\$10,346,362</u>	<u>\$9,950,896</u>	<u>\$10,447,751</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 8,815,964	\$ 6,216,589	\$ 6,833,245	\$ 6,795,498	\$ 6,191,938	\$ 6,608,001	\$ 6,946,466	\$ 6,146,538	\$ 4,968,050
Plan fiduciary net position as a percentage of the total pension liability	56.08%	67.51%	60.87%	61.03%	64.58%	62.30%	59.83%	61.82%	67.77%
Covered-employee payroll	\$ 5,604,593	\$ 5,146,765	\$ 4,019,877	\$ 3,995,600	\$ 3,916,606	\$ 3,973,863	\$ 4,227,319	\$ 4,128,559	\$ 4,076,199
Net pension liability (asset) as a percentage of covered-employee payroll	157.30%	120.79%	169.99%	170.07%	158.09%	166.29%	164.32%	148.88%	121.88%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the required supplemental information.

**THE CITY OF LEEDS, ALABAMA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - RETIREMENT SYSTEMS OF ALABAMA**  
**FOR THE YEAR ENDED SEPTEMBER 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 730,402	\$ 697,387	\$ 644,405	\$ 539,454	\$ 477,559	\$ 454,896	\$ 482,623	\$ 512,265	\$ 572,958
Contribution in relation to the actuarially determined contribution	<u>730,402</u>	<u>697,387</u>	<u>644,405</u>	<u>539,454</u>	<u>477,559</u>	<u>454,896</u>	<u>482,623</u>	<u>512,265</u>	<u>572,958</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,911,211	\$ 5,604,593	\$ 5,146,765	\$ 4,019,877	\$ 3,995,600	\$ 3,916,606	\$ 3,973,863	\$ 4,227,319	\$ 4,128,559
Contributions as a percentage of covered-employee payroll	12.36%	12.44%	12.52%	13.42%	11.95%	11.61%	12.14%	12.12%	13.88%

Actuarial cost method:	Entry Age
Amortization Method:	Level percent closed
Remaining amortization period:	25.8 years
Asset valuation method:	Five-year smoothed market
Inflation:	2.75%
Salary increases:	3.25 – 5.00%, including inflation
Investment rate of return:	7.70%, net of pension plan investment expense, including inflation

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE CITY OF LEEDS, ALABAMA**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues:</b>				
Taxes	\$ 17,710,860	\$ 17,710,860	\$ 20,865,222	\$ 3,154,362
Licenses and permits	2,432,600	2,432,600	3,828,992	1,396,392
Intergovernmental	2,032,921	2,032,921	3,017,946	985,025
Charges for services	306,900	306,900	374,571	67,671
Fines and forfeitures	1,802,246	1,802,246	1,358,457	(443,789)
Interest	25,000	25,000	337,113	312,113
Other	206,265	206,265	756,611	550,346
Total revenues	<u>24,516,792</u>	<u>24,516,792</u>	<u>30,538,912</u>	<u>6,022,120</u>
<b>Expenditures:</b>				
Current operations:				
General government	7,838,248	7,838,248	5,324,822	2,513,426
Public safety:				
Fire and rescue	3,376,579	3,376,579	3,565,033	(188,454)
Police and court	3,987,023	3,987,023	4,478,780	(491,757)
Streets and sanitation	1,849,120	1,849,120	1,702,059	147,061
Parks and recreation	25,200	25,200	75,110	(49,910)
Library	413,076	413,076	464,528	(51,452)
Redevelopment expenses	1,174,570	1,174,570	1,786,970	(612,400)
Total current operations	<u>18,663,816</u>	<u>18,663,816</u>	<u>17,397,302</u>	<u>1,266,514</u>
Capital outlays	655,521	655,521	1,601,980	(946,459)
Debt service	-	-	-	-
Total expenditures	<u>19,319,337</u>	<u>19,319,337</u>	<u>18,999,282</u>	<u>320,055</u>
Revenues over / (under) expenditures	5,197,455	5,197,455	11,539,630	6,342,175
<b>Other financing sources / (uses):</b>				
Transfers to component unit	-	-	(1,900,081)	(1,900,081)
Interfund transfers out	(5,500,000)	(5,500,000)	(5,627,679)	(127,679)
Total other financing sources / (uses)	<u>(5,500,000)</u>	<u>(5,500,000)</u>	<u>(7,527,760)</u>	<u>(2,027,760)</u>
Net change in fund balance	<u>\$ (302,545)</u>	<u>\$ (302,545)</u>	4,011,870	<u>\$ 4,314,415</u>
Fund balances, beginning			<u>28,373,094</u>	
Fund balances, ending			<u>\$ 32,384,964</u>	

See notes to the required supplemental information.

THE CITY OF LEEDS, ALABAMA  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 1 - COMPLIANCE AND ACCOUNTABILITY**

**Budget Requirements, Accounting, and Reporting**

**Requirements:**

A budget is adopted for the City’s general fund. The budget is based on expected expenditures by program and estimated resources by source.

With the exception of construction in progress, appropriations lapse at the end of each fiscal year.

Appropriation control (City Council appropriated budget) is by department within a fund. The budget may be amended to transfer amounts between departments. Budgetary comparison schedules are presented in the Supplemental Section as Required Supplemental information. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual.

**SUPPLEMENTAL INFORMATION**

**THE CITY OF LEEDS, ALABAMA**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Commercial Development Authority	Special Revenue Funds		Total Nonmajor Governmental Funds
		State 4 Cent Gas Tax	State 7 Cent Gas Tax	
<b>Assets</b>				
Current assets				
Cash and cash equivalents - unrestricted	\$ 62,818	\$ -	\$ -	\$ 62,818
Cash and cash equivalents - restricted	-	696,784	2,180,556	2,877,340
Right-of-use lease asset	-	-	-	-
Accounts receivable	-	39,970	90,448	130,418
<b>Total Assets</b>	<b>\$ 62,818</b>	<b>\$ 736,754</b>	<b>\$ 2,271,004</b>	<b>\$ 3,070,576</b>
<b>Liabilities and Fund Balance (deficit)</b>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Right-of-use lease liability	-	-	-	-
<b>Fund Balance</b>				
Restricted for:				
Road maintenance and construction	-	736,754	-	736,754
Street and road maintenance	-	-	2,271,004	2,271,004
Unassigned:				
Redevelopment	-	-	-	-
Commercial development	62,818	-	-	62,818
	<u>62,818</u>	<u>736,754</u>	<u>2,271,004</u>	<u>3,070,576</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 62,818</b>	<b>\$ 736,754</b>	<b>\$ 2,271,004</b>	<b>\$ 3,070,576</b>

**THE CITY OF LEEDS, ALABAMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**IN NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Commercial Development Authority	Special Revenue Funds		Total Nonmajor Governmental Funds
		State 4 Cent Gas Tax	State 7 Cent Gas Tax	
<b>Revenue</b>				
Taxes	\$ -	\$ 365,631	\$ 610,931	\$ 976,562
Charges for services	-	-	-	-
Interest	189	-	11,446	11,635
	<u>189</u>	<u>365,631</u>	<u>622,377</u>	<u>988,197</u>
<b>Expenditures</b>				
General government	-	-	53,805	53,805
Redevelopment	-	-	-	-
	-	-	53,805	53,805
<b>Capital Outlay</b>				
<b>Other Financing Sources/(Uses)</b>				
Transfers In/(Out)	-	-	(5,560)	(5,560)
	-	-	(5,560)	(5,560)
<b>Net Change in Fund Balance</b>	189	365,631	563,012	928,832
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>62,629</u>	<u>371,123</u>	<u>1,707,992</u>	<u>2,141,744</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 62,818</u>	<u>\$ 736,754</u>	<u>\$ 2,271,004</u>	<u>\$ 3,070,576</u>