

**MUNICIPAL UTILITIES BOARD
OF THE CITY OF ALBERTVILLE
WASTE WATER SYSTEM
Albertville, Alabama**

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Municipal Utilities Board of the City of Albertville – Waste Water System
Albertville, Alabama

We have audited the accompanying financial statements of the business-type activities of the Municipal Utilities Board of the City of Albertville – Waste Water System, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Waste Water System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Municipal Utilities Board of the City of Albertville – Waste Water System, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the pension and post-employment benefit schedules on pages 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal Utilities Board of the City of Albertville – Waste Water System's basic financial statements. The schedules of operating expense, statistical section, and debt service requirements to maturity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating expense and debt service requirements to maturity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expense and debt service requirements to maturity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Municipal Utilities Board of the City of Albertville – Waste Water System, are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities attributable to the transactions of the Waste Water System. They do not purport to, and do not present fairly the financial position of the Municipal Utilities Board of the City of Albertville, as a whole, as of June 30, 2021 and 2020, the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Lori Criswell & Associates, P.C.

Snead, Alabama
October 26, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The MD&A represents management's examination and analysis of the Waste Water System's financial condition and performance for the years ending June 30, 2021 and 2020. This information should be read in conjunction with the financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. These financial statements report information about the Waste Water System using full accrual accounting methods.

The Municipal Utilities Board (MUB) was reorganized and incorporated on May 15, 2013, under Article 9, Chapter 50; Title 11 (Sections 11-50-310 et seq.) of the Code of Alabama (1975). Prior to May, 2013, MUB operated within the confines of an Act of the Alabama Legislature passed in 1943. While operating under the 1943 Act, MUB was organized as an entity of the City of Albertville and the City had to issue all debt for MUB. The new form of organization allows MUB to issue its own debt. The three-member Board of Directors of MUB (appointed by the City Council of Albertville) was given complete control of the public utilities in the City of Albertville. In addition to the Waste Water System, the Board also governs the Electric and Water Systems of the City.

Even though MUB is a municipal entity, the financial statements are presented more similar to a private business entity because a majority of the revenues in the Electric, Water and Waste Water Systems are generated from user fees, not any type of public tax. The Governmental Accounting Standards Board requires that these types of municipal entities follow accounting procedures more similar to those of private business. However, the mission of the Board is not to be a profitable entity, unlike a private system, but is to be able to finance all or most of its activities through user fees and reinvest assets in improving and maintaining the system.

The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to the financial statements.

The statement of net position presents the financial position of the Waste Water System and all its assets and liabilities, with the difference reported as net position. Over time, increases or decreases in the System's net position are one indicator of whether the System's financial position is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents the results of the System's activities over the course of the fiscal year. This statement also provides information about the System's recovery of costs. Rate setting policies vary, however, the primary objective of any rate model is to improve equity among customer classes and ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operations, financing and investing activities. This statement presents cash inflows and cash outflows for the fiscal year.

The notes to the financial statements provide required disclosures and other information vital to obtaining a full understanding of the System's financial statements. The notes present information about the System's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information, providing additional financial detail, is also provided.

The financial statements were prepared by the Board's accounting staff from the detailed books and records of the System. The financial statements were then audited and adjusted, if necessary, during the independent external audit process.

Financial Analysis

The following comparative condensed financial statements serve as the key financial data and indicators for management, monitoring and planning. The financial statements are studied in depth to detect trends, project growth and prepare budgets for the upcoming year.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

Condensed Financial Statements

Fiscal Year Ending June 30, 2021

Condensed Statements of Net Position	2021	2020	Variance	
			Dollars	Percent
Utility Plant	\$83,297,629	\$81,241,772	\$2,055,857	2.53%
Less Accumulated Depreciation	(\$46,892,563)	(\$44,231,453)	(\$2,661,110)	6.02%
Utility Plant Net of Depreciation	\$36,405,066	\$37,010,319	(\$605,253)	-1.64%
Restricted Assets	\$3	\$24	(\$21)	-87.50%
Current Assets & Other Assets	\$9,900,265	\$10,493,305	(\$593,040)	-5.65%
Deferred Outflows of Resources	\$1,638,192	\$1,530,379	\$107,813	7.04%
Total Assets and Deferred Outflows	\$47,943,526	\$49,034,027	(\$1,090,501)	-2.22%
Current Liabilities	\$1,534,793	\$1,460,034	\$74,759	5.12%
Long Term Liabilities	\$16,011,783	\$16,488,694	(\$476,911)	-2.89%
Deferred Inflows of Resources	\$118,272	\$78,391	\$39,881	50.87%
Total Liabilities and Deferred Inflows	\$17,664,848	\$18,027,119	(\$362,271)	-2.01%
Net Position:				
Net Investment in Capital Assets	\$24,416,043	\$24,197,849	\$218,194	0.90%
Restricted for Debt Service	\$3	\$24	(\$21)	-87.50%
Unrestricted	\$5,862,632	\$6,809,035	(\$946,403)	-13.90%
Total Net Position	\$30,278,678	\$31,006,908	(\$728,230)	-2.35%
Total Liabilities and Net Position	\$47,943,526	\$49,034,027	(\$1,090,501)	-2.22%

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2021		2020	Variance of 2021 Actual Data To:			
	Actual	Budget	Actual	2021 Budget Dollars	Percent	2020 Actual Dollars	Percent
Revenues:							
Waste Water Sales Revenue	\$7,634,898	\$7,350,000	\$7,213,105	\$284,898	3.88%	\$421,793	5.85%
Other Revenue	\$633,225	\$540,000	\$562,802	\$93,225	17.26%	\$70,423	12.51%
Total Operating Revenue	\$8,268,123	\$7,890,000	\$7,775,907	\$378,123	4.79%	\$492,216	6.33%
Expenses:							
Operating Expense	\$8,674,132	\$8,035,000	\$8,068,131	\$639,132	7.95%	\$606,001	7.51%
Operating Income (Loss)	(\$406,009)	(\$145,000)	(\$292,224)	(\$261,009)	180.01%	(\$113,785)	38.94%
Non-Operating Income and Expense-Net	(\$322,221)	(\$345,000)	(\$423,982)	\$22,779	6.60%	\$101,761	24.00%
Income (Loss) Before Capital Contributions	(\$728,230)	(\$490,000)	(\$716,206)	(\$238,230)	-48.62%	(\$12,024)	-1.68%
Capital Contributions	\$0	\$0	\$40,372	\$0	n/a	(\$40,372)	-100.00%
Increase (Decrease) in Net Position	(\$728,230)	(\$490,000)	(\$675,834)	(\$238,230)	48.62%	(\$52,396)	7.75%

Financial Analysis

The following comparative condensed financial statements serve as the key financial data and indicators for management, monitoring and planning. The financial statements are studied in depth to detect trends, project growth and prepare budgets for the upcoming year.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

Condensed Financial Statements

Fiscal Year Ending June 30, 2020

Condensed Statements of Net Position	2020	2019	Variance	
			Dollars	Percent
Utility Plant	\$81,241,772	\$80,113,783	\$1,127,989	1.41%
Less Accumulated Depreciation	(\$44,231,453)	(\$41,736,543)	(\$2,494,910)	5.98%
Utility Plant Net of Depreciation	\$37,010,319	\$38,377,240	(\$1,366,921)	-3.56%
Restricted Assets	\$24	\$304	(\$280)	-92.11%
Current Assets & Other Assets	\$10,493,305	\$8,470,655	\$2,022,650	23.88%
Deferred Outflows of Resources	\$1,530,379	\$1,262,050	\$268,329	21.26%
Total Assets and Deferred Outflows	\$49,034,027	\$48,110,249	\$923,778	1.92%
Current Liabilities	\$1,460,034	\$1,291,094	\$168,940	13.09%
Long Term Liabilities	\$16,488,694	\$14,890,359	\$1,598,335	10.73%
Deferred Inflows of Resources	\$78,391	\$246,054	(\$167,663)	-68.14%
Total Liabilities	\$18,027,119	\$16,427,507	\$1,599,612	9.74%
Net Position:				
Net Investment in Capital Assets	\$24,197,849	\$26,815,716	(\$2,617,867)	-9.76%
Restricted for Debt Service	\$24	\$304	(\$280)	-92.11%
Unrestricted	\$6,809,035	\$4,866,722	\$1,942,313	39.91%
Total Net Position	\$31,006,908	\$31,682,742	(\$675,834)	-2.13%
Total Liabilities and Net Position	\$49,034,027	\$48,110,249	\$923,778	1.92%

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2020		2019	Variance of 2020 Actual Data To:			
	Actual	Budget	Actual	2020 Budget Dollars	Percent	2019 Actual Dollars	Percent
Revenues:							
Waste Water Sales Revenue	\$7,213,105	\$7,150,000	\$7,204,219	\$63,105	0.88%	\$8,886	0.12%
Other Revenue	\$562,802	\$460,000	\$536,862	\$102,802	22.35%	\$25,940	4.83%
Total Operating Revenue	\$7,775,907	\$7,610,000	\$7,741,081	\$165,907	2.18%	\$34,826	0.45%
Expenses:							
Operating Expense	\$8,068,131	\$7,885,000	\$7,620,698	\$183,131	2.32%	\$447,433	5.87%
Operating Income	(\$292,224)	(\$275,000)	\$120,383	(\$17,224)	6.26%	(\$412,607)	-342.75%
Non-Operating Income and Expense-Net	(\$423,982)	(\$315,100)	(\$327,877)	(\$108,882)	-34.55%	(\$96,105)	-29.31%
Income (Loss) Before Capital Contributions	(\$716,206)	(\$590,100)	(\$207,494)	(\$126,106)	-21.37%	(\$508,712)	-245.17%
Capital Contributions	\$40,372	\$0	\$371,627	\$40,372	n/a	(\$331,255)	n/a
Increase (Decrease) in Net Position	(\$675,834)	(\$590,100)	\$164,133	(\$85,734)	14.53%	(\$839,967)	-511.76%

FINANCIAL POSITION

Statement of Net Position

For the fiscal year ending June 30, 2021, total assets and deferred outflows decreased \$1,090,501. Net Waste Water Plant (assets less depreciation) decreased \$605,253 or 1.64% due to an increase in accumulated depreciation. Current and other assets decreased \$593,040 due to a decrease in cash. Deferred Outflows of Resources increased \$107,813 due to adjustments related to the Net Pension Liability and OPEB Liability.

Total liabilities and deferred inflows decreased \$362,271 from last year, a 2.01% decrease. Total long-term liabilities decreased by \$476,911 due to principal payments. Total net position (total assets and deferred outflows less total liabilities and deferred inflows) of \$30,278,678 reflects a decrease of \$728,230 from last year. Of this amount, 81% or \$24,416,043 is invested in capital assets, and \$5,862,632 comprises the non-restricted portion of the net assets, or 19%.

For the fiscal year ending June 30, 2020, total assets and deferred outflows increased \$923,778. Net Waste Water Plant (assets less depreciation) decreased \$1,366,921 or 3.56% due to an increase in accumulated depreciation. Current and other assets increased \$2,022,650 due to an increase in cash on hand. Deferred Outflows of Resources increased \$268,329 due to adjustments related to the Net Pension Liability and OPEB Liability.

Total liabilities and deferred inflows increased \$1,599,612 in 2020, a 9.74% increase. Total long-term liabilities increased by \$1,598,335 last year due to the refinancing of the Sewer Revenue Bonds, Series 2013-A and the Water Revenue Bonds, Series 2010-SRF. As part of this refinancing, the Water System borrowed from the Waste Water System a total of \$1,480,643. Total net position (total assets and deferred outflows less total liabilities and deferred inflows) of \$31,006,908 reflects a decrease of \$675,834 from last year. Of this amount, 78% or \$24,197,849 is invested in capital assets, and \$6,809,035 comprises the non-restricted portion of the net assets, or 22%.

Results of Operations

The Waste Water System's operating revenues derive from sales of Waste Water treatment services. Other revenue consists of forfeited discounts, industry surcharges, service fees, and collection charges.

The Waste Water System has three classes of sales: residential, commercial, and industrial. Total sales revenue increased \$421,793 for 2021 as follows:

Residential	\$24,637	1.26%	Increase
Commercial	\$68,492	8.89%	Increase
Industrial	\$328,433	7.29%	Increase
Uncollectable Accounts (\$231)		6.89%	Decrease

Total operating expense increased \$606,001 or 7.5% from last year. Waste Water treatment plant expense increased \$377,537 due to increased payroll, an increase in utilities due to heavy rainfall, maintenance on the biosolids dryer and an increase in sludge disposal. Waste Water line expense increased \$136,963 due to an increase in labor maintenance and supplies. Depreciation expense increased \$59,460. Pump station expense increased \$40,312 mostly due to an increase in labor maintenance. Customer accounts expense increased \$22,066 due to credit card processing fees. Administrative and general expense decreased \$30,337.

Total sales revenue increased \$8,886 for 2020 as follows:

Residential	\$4,679	0.24%	Increase
Commercial	\$31,686	4.30%	Increase
Industrial	(\$27,165)	0.60%	Decrease
Uncollectable Accounts (\$314)		10.33%	Increase

Total operating expense increased \$447,433 or 5.9% in 2020. Administrative and general expense increased \$297,991 due to the recording of pension expense per GASB68 and recording of OPEB expense per GASB75. Waste Water treatment plant expense increased \$105,909 due to increased payroll from the addition of a new position, an increase in labor maintenance and supplies and an increase in chemicals used. Waste Water line expense increased \$30,728 mostly due to increased payroll. Customer accounts expense increased \$9,297 due to credit card processing fees. Depreciation expense increased \$6,603. Pump station expense decreased \$3,095 mostly due to decreased labor maintenance and supplies.

Capital Contributions

The Waste Water system occasionally receives funds from the City of Albertville, grantor agencies, developers and individuals for new construction.

There were no capital contributions received in 2021. Capital contributions received for 2020 were \$40,372 from the City of Albertville representing a CDBG grant from ADECA funds for the rehabilitation of sewer mains in four locations in Albertville.

Capital Assets and Debt Administration

Total Waste Water Plant (before depreciation and retirements) increased \$2,223,345 for 2021. Structures and buildings increased \$784,573 due to capital upgrades and repairs at the Waste Water plant. Sewer mains increased \$560,837 due to main upgrades at Carlisle street. Transportation increased \$453,654 with the purchase of two new pickup trucks, two used pickup trucks from the electric department, a service truck and a vactor truck. Meters increased \$172,841 due to the purchase of meters, registers and ERT's for the automated radio read meter system. 35 new services were installed at a cost of \$69,308 while \$67,085 was invested in machinery and equipment for a mini excavator, a push camera and a mower. Pumping Stations increased \$58,506 due to capital repairs at 431 North, Broadway Estates and Arbor Acres pump stations. Communication equipment increased \$30,828 due to a new phone system and the purchase of an underground line locator. \$15,287 was used for Waste Water's portion of three payment kiosks and a camera server. Lab Equipment was purchased in the amount of \$10,426.

During the fiscal year 2021, long term debt decreased by \$830,000 due to principal payments. Total long-term debt remaining at June 30, 2021 is \$12,040,000.

Total Waste Water Plant (before depreciation and retirements) increased \$1,992,336 for 2020. Main rehabilitation totaled \$925,307 mostly due to the CDBG Sewer Main project and the Sand Mountain Parks Project. Pumping Stations increased \$505,218 mostly due to the installation of new pump stations located at Hickory Street, Pine Street, 431 North and Sand Mountain Park and Amphitheater as well as capital repairs. Structures and buildings increased \$495,392 due to capital upgrades at the Waste Water plant and Waste Water's portion of a storage building at the Warehouse. \$43,144 was invested in Waste Water's portion of a Forklift to be used at the fleet shop and the full purchase of a Forklift to be used at the Waste Water plant. 8 new services were installed at a cost of \$9,176. Lab Equipment was purchased in the amount of \$4,878. Transportation increased \$4,730 with the purchase of a pickup truck from the Electric department, while \$4,141 was used for Waste Water's portion of a new plotter. \$350 was invested in land for the new Pine Street Pump Station.

During the fiscal year 2020, the Series 2019-A Sewer Revenue Bonds were issued in the amount of \$5,925,000 to defease both the Sewer Revenue Bonds, Series 2013-A and the Water Revenue Bonds, Series 2010-SRF. As part of this bond refinancing, the Water system borrowed from the Waste Water System a total of \$1,480,643. Total long-term debt increased by \$780,000 in 2020. Total long-term debt remaining at June 30, 2020 is \$12,870,000.

Economic Factors and Next Year's Budget and Rates

The Capital Expenditures Budget for 2022 is \$3,478,500. These expenditures will include:

- \$1,055,000 – Structures – Treatment Plant additions and capital repairs
- \$1,000,000 – Main Upgrades – Miscellaneous upgrades
- \$950,000 – Pump Stations – New pump stations at Drum Circle and Solitude Road
- \$175,000 – Machinery & Equipment –Trackhoe and miscellaneous repairs
- \$135,000 – Transportation Equipment – Service truck and capital repairs
- \$68,500 – Service Laterals – includes (15) 4" services and 12 of other sizes
- \$25,000 – Land & Land Rights – Land purchase on Solitude Road
- \$20,000 – Office & Computer Equipment– Host server and miscellaneous upgrades
- \$20,000 – Communication Equipment – Underground line locator and miscellaneous upgrades
- \$20,000 – General Plant Equipment – Lab - Miscellaneous
- \$10,000 – Land Improvements - Miscellaneous

Final Comments

The Waste Water System's management and the MUB Board annually prepare and review operating budgets, payroll budgets and capital purchases budgets. The preparations of these budgets involve reviewing several factors such as: anticipated growth and expansion or cutbacks in industrial usage; forecasting expenses; and determination of capital needs. These budgets provide a blueprint for operations for the next year and assist in determining financial position for the near future.

It is the opinion of MUB management that Waste Water rates are currently adequate to fund necessary expenditures and to maintain the Waste Water System in good repair. However, if growth far exceeds projected rates and additional facilities would have to be constructed, or if operating expense increases significantly, then Waste Water rates would have to be reviewed.



Elden Chumley
General Manager/CEO
Municipal Utilities Board of Albertville



Theresa Bailey, CPA
Chief Financial Officer
Municipal Utilities Board of Albertville

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

STATEMENTS OF NET POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,746,418	\$ 8,365,207
Accounts Receivable		
Related Party	456,336	290,461
Unbilled Revenue	127,879	140,483
Accrued Interest Receivable	61	3,439
Current Portion of Note Receivable - Water System	139,615	136,976
Material and Supplies	254,166	238,218
Prepaid Expenses	14,978	15,706
	<u>8,739,453</u>	<u>9,190,490</u>
NONCURRENT ASSETS		
Restricted Assets		
Cash and Cash Equivalents	<u>3</u>	<u>24</u>
Capital Assets		
Land and Construction in Progress	802,821	793,332
Waste Water Plant in Service, Net of		
Accumulated Depreciation	<u>35,602,245</u>	<u>36,216,987</u>
	<u>36,405,066</u>	<u>37,010,319</u>
Other Assets		
Note Receivable - Water System, Net of Current Portion	1,136,538	1,276,153
Debt Issue Costs, Net of Accumulated Amortization of		
\$3,582 for 2021 and \$1,194 for 2020	<u>24,274</u>	<u>26,662</u>
	<u>1,160,812</u>	<u>1,302,815</u>
TOTAL ASSETS	<u>46,305,334</u>	<u>47,503,648</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding, Net of Accumulated		
Amortization of \$70,391 for 2021 and \$23,464 for 2020	461,453	508,380
Net Pension Liability - Contributions		
Subsequent to the Measurement Date	684,844	570,384
Proportionate Share of Collective Deferred Outflows		
Related to Net Other Post Employment Benefits Liability	<u>491,895</u>	<u>451,615</u>
	<u>1,638,192</u>	<u>1,530,379</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 47,943,526</u>	<u>\$ 49,034,027</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

	2021	2020
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 326,495	\$ 290,448
Accrued Wages and Compensated Absences	225,026	193,339
Other Current Liabilities	9,130	8,321
	<u>560,651</u>	<u>492,108</u>
CURRENT LIABILITIES, RESTRICTED		
Current Maturities of Long-Term Debt	845,000	830,000
Accrued Interest Payable	129,142	137,926
	<u>974,142</u>	<u>967,926</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Maturities And (Discount) Premium	11,605,476	12,490,850
Net Pension Liability	3,534,364	3,148,730
Accrued Liability - Other Post Employment Benefits	871,943	849,114
	<u>16,011,783</u>	<u>16,488,694</u>
TOTAL LIABILITIES	<u>17,546,576</u>	<u>17,948,728</u>
DEFERRED INFLOWS OF RESOURCES		
Proportionate Share of Collective Deferred Inflows Related to Net Other Post Employment Benefits Liability	118,272	78,391
NET POSITION		
Net Investment in Capital Assets	24,416,043	24,197,849
Restricted for Debt Service	3	24
Unrestricted	5,862,632	6,809,035
	<u>30,278,678</u>	<u>31,006,908</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 47,943,526</u>	<u>\$ 49,034,027</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
	Amount	Percent of Operating Revenue	Amount	Percent of Operating Revenue
OPERATING REVENUE				
Waste Water Revenue				
Residential	\$ 1,966,059	23.78 %	\$ 1,941,422	24.97 %
Commercial	839,787	10.16	771,295	9.92
Industrial	4,832,174	58.44	4,503,741	57.92
Less Uncollectible Accounts	(3,122)	(0.04)	(3,353)	(0.04)
	<u>7,634,898</u>	<u>92.34</u>	<u>7,213,105</u>	<u>92.76</u>
Surcharges	478,736	5.79	461,280	5.93
Revenue From Forfeited Discounts	14,534	0.18	14,516	0.19
System Development Charges	81,738	0.99	47,340	0.61
Other Waste Water Revenue	58,217	0.70	39,666	0.51
	<u>8,268,123</u>	<u>100.00</u>	<u>7,775,907</u>	<u>100.00</u>
OPERATING EXPENSE				
Operating Expense				
Waste Water Treatment Plant Expense	2,956,149	35.75	2,578,612	33.16
Pumping Stations Expense	737,973	8.93	697,661	8.97
Waste Water Line Expense	876,351	10.60	739,388	9.51
Customer Accounting and Collections	321,624	3.89	299,558	3.85
Administrative and General	1,164,019	14.08	1,194,356	15.36
	<u>6,056,116</u>	<u>73.25</u>	<u>5,509,575</u>	<u>70.85</u>
Other Operating Expense				
Provision for Depreciation	2,618,016	31.66	2,558,556	32.90
	<u>8,674,132</u>	<u>104.91</u>	<u>8,068,131</u>	<u>103.76</u>
OPERATING INCOME (LOSS)	<u>(406,009)</u>	<u>(4.91)</u>	<u>(292,224)</u>	<u>(3.76)</u>
NONOPERATING REVENUE (EXPENSE)				
Interest Income	36,778	0.44	60,607	0.78
Interest Expense	(353,861)	(4.28)	(377,943)	(4.86)
Amortization of Debt Costs	(5,138)	(0.06)	(1,996)	(0.03)
Debt Issuance Costs	-	0.00	(104,650)	(1.35)
	<u>(322,221)</u>	<u>(3.90)</u>	<u>(423,982)</u>	<u>(5.45)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(728,230)</u>	<u>(8.81)</u>	<u>(716,206)</u>	<u>(9.21)</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>0.00</u>	<u>40,372</u>	<u>0.52</u>
CHANGE IN NET POSITION	<u>(728,230)</u>	<u>(8.81) %</u>	<u>(675,834)</u>	<u>(8.69) %</u>
NET POSITION - Beginning	<u>31,006,908</u>		<u>31,682,742</u>	
NET POSITION - Ending	<u>\$ 30,278,678</u>		<u>\$ 31,006,908</u>	

The accompanying Notes to Financial Statements are an integral part of these financial statements.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 8,280,727	\$ 7,801,284
Payments to Suppliers	(3,965,390)	(3,730,473)
Payments to Employees	(1,756,821)	(1,580,821)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,558,516</u>	<u>2,489,990</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal Payments Received on Note Receivable - Water System	136,976	67,514
Interest Received on Note Receivable - Water System	25,796	13,872
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>162,772</u>	<u>81,386</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets, Net	(2,195,565)	(1,298,567)
Customer Contributions and Grants in Aid of Construction	(40,372)	-
Proceeds from Disposal of Capital Assets	67,570	1,000
Principal Paid on Long-Term Debt	(830,000)	(395,000)
Interest Paid on Long-Term Debt	(356,091)	(283,858)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,354,458)</u>	<u>(1,976,425)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Cash and Cash Equivalents	14,360	47,377
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(618,810)	642,328
CASH AND CASH EQUIVALENTS - Beginning	<u>8,365,231</u>	<u>7,722,903</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 7,746,421</u></u>	<u><u>\$ 8,365,231</u></u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (406,009)	\$ (292,224)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	2,770,869	2,708,667
Uncollectible Accounts	3,122	3,353
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	9,482	22,024
(Increase) Decrease in Material and Supplies	(15,948)	(37,268)
(Increase) Decrease in Prepaid Expenses	728	3,034
(Increase) Decrease in Related Party	(165,875)	45,185
Increase (Decrease) in Accounts Payable	36,047	2,263
Increase (Decrease) in Accrued Wages and Compensated Absences	31,687	30,671
(Increase) Decrease in Deferred Outflows of Resources - Net Pension Liability	(114,460)	(125,764)
Increase (Decrease) in Deferred Inflows of Resources - Net Pension Liability	-	(161,703)
Increase (Decrease) in Net Pension Liability	385,634	292,638
Increase (Decrease) in Deferred Outflows - Other Post Employment Benefits	(40,280)	(127,684)
Increase (Decrease) in Deferred Inflows - Other Post Employment Benefits	39,881	(5,960)
Increase (Decrease) in Accrued Liability - Other Post Employment Benefits	22,829	129,870
Increase (Decrease) in Other Current Liabilities	809	2,888
Total Adjustments	<u>2,964,525</u>	<u>2,782,214</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,558,516</u>	<u>\$ 2,489,990</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash capital and related financing activities:		
Contributed Capital - City of Albertville	\$ -	\$ 40,372
Sewer Revenue Bond, Series 2013-A Principal Paid	-	4,750,000
Sewer Revenue Bond, Series 2013-A Accrued Interest Paid	-	29,083
Sewer Revenue Bond, Series 2019-A Issuance	-	5,925,000

The accompanying Notes to Financial Statements are an integral part of these financial statements.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Municipal Utilities Board of the City of Albertville, Alabama (the Board) was reorganized and incorporated on May 15, 2013, under Article 9, Chapter 50, Title 11 (Sections 11-50-310 et seq.) of the Code of Alabama (1975). Prior to May 15, 2013, the Board operated within the confines of an Act of the Alabama Legislature passed in 1943. While operating under the 1943 Act, the Board was organized as an entity of the City of Albertville and the City had to issue all debt for the Board. The new form of organization allows the Board to issue its own debt. The objectives for which the Board was formed are to acquire, operate, maintain, improve, and extend an electric system, a water distribution system, and a sanitary sewer system within the City of Albertville and the territory within Marshall County. The Board is also authorized to own and operate a natural gas distribution system, but no such system presently exists. The Board uses enterprise fund accounting for the separate departments, electric, water, and waste water, and issues separate financial statements for each.

The financial statements present only the Municipal Utilities Board of the City of Albertville – Waste Water System (the Waste Water System) and do not purport to, and do not, present the financial position of the Municipal Utilities Board of the City of Albertville and the changes in its financial position or its cash flows.

The property and business of the Municipal Utilities Board of the City of Albertville is managed by a three member Board of Directors appointed by the Mayor and City Council of the City of Albertville. The members of the Board and management at June 30, 2021 were as follows:

Board of Directors

Paul McAbee, Chairman
Harold Chitwood, Member
Kasey Culbert, Member

Management

Elden Chumley, General Manager/CEO

NATURE OF BUSINESS

The Waste Water System provides waste water collection services to residents and businesses in the City of Albertville, Alabama area.

ACCOUNTING PRINCIPLES

The Waste Water System's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

BASIS OF PRESENTATION AND ACCOUNTING

The Waste Water System utilizes the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

RECOGNITION OF WASTE WATER REVENUE

Waste Water revenue is recognized when water is used by the ultimate consumer.

TAXES

The Waste Water System is not subject to federal and state income taxes, nor does the State of Alabama levy utility tax on waste water services.

INVENTORIES

Inventories of material and supplies are priced at the lower of average cost or net realizable value.

CASH EQUIVALENTS

The Waste Water System considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

ACCOUNTS RECEIVABLE

All services for electric, water, and waste water are billed and collected by the Municipal Utilities Board of the City of Albertville - Electric System, with revenues recognized by each department through an intercompany system of accounting. As of June 30, 2021 and 2020, the total receivables due from customers, as reflected in the Electric System financial statements, were \$6,193,338 and \$5,949,822, respectively. The Board uses the direct write-off method for uncollectible accounts. An allowance for doubtful accounts at June 30, 2021 and 2020 is not considered necessary.

CONCENTRATION OF CREDIT RISK

The Board grants credit to its customers, substantially all of who are located in the City of Albertville, Alabama.

AMORTIZATION

Debt issuance costs (prepaid insurance only), bond discounts or premiums, and deferred losses on refunding are amortized over the terms of the bonds using a method which approximates the effective interest method.

USE OF ESTIMATES

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

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

UTILITY PLANT

Utility plant is stated at cost less accumulated depreciation. Depreciation is calculated on the composite-rate method. Retirements of units of property from service have been charged to the accumulated depreciation accounts at the original cost of the units plus cost of removal. Salvage value of the units retired is credited to the accumulated depreciation accounts. The costs of maintenance, repairs and replacing minor items are charged principally to expense as incurred. Depreciation rates are as follows:

Waste Water Plant:

Land and Land Rights	0.00%
Land Improvements	3.00
Structures and Buildings	3.00
Machinery and Equipment	15.00
Radio Read Meters	2.50
Sewer Mains	2.00
Service Laterals	2.00
Pumping Stations	7.00

General Plant:

Furniture and Office Equipment	10.00
Transportation Equipment	10.00
Communication Equipment	20.00
General Plant Equipment	8.00

NET POSITION

Net position is divided into three components:

Net Investment in Capital Assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets increased by balances of deferred outflows of resources related to those assets.

Restricted – consists of external constraints placed on net position use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Waste Water System.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

PENSIONS

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

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following amounts at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
UNRESTRICTED		
Checking Accounts	\$ 5,911,640	\$ 6,533,758
Investment Fund	<u>1,834,778</u>	<u>1,831,449</u>
	<u>7,746,418</u>	<u>8,365,207</u>
RESTRICTED		
Debt Service Funds	<u>3</u>	<u>24</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 7,746,421</u>	<u>\$ 8,365,231</u>

The Municipal Utilities Board of the City of Albertville's deposits at year-end were held by financial institutions in the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the Code of Alabama 1975, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 3 - CAPITAL ASSETS

Information related to property, plant and equipment of the Waste Water System for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
<i>Capital assets not being depreciated:</i>				
Distribution Plant: Land and Land Rights	\$ 565,396	\$ -	\$ 350	\$ 565,046
Construction in Progress, Net Change	<u>227,936</u>	<u>9,839</u>	<u>-</u>	<u>237,775</u>
Total capital assets not being depreciated	<u>793,332</u>	<u>9,839</u>	<u>350</u>	<u>802,821</u>
<i>Capital assets being depreciated:</i>				
Waste Water Plant in Service:				
Land Improvements	47,473	-	-	47,473
Structures	39,409,104	784,573	-	40,193,677
Sewer Mains	25,310,738	560,837	31,358	25,840,217
Service Laterals	1,047,781	69,308	-	1,117,089
Radio Read Meters	1,238,440	172,841	-	1,411,281
Pumping Stations	10,595,000	58,856	-	10,653,856
Machinery and Equipment	653,704	67,085	41,100	679,689
Transportation Equipment	1,501,903	453,654	104,869	1,850,688
General Plant Equipment	62,694	10,426	-	73,120
Furniture and Office Equipment	273,824	15,287	-	289,111
Communication Equipment	<u>307,779</u>	<u>30,828</u>	<u>-</u>	<u>338,607</u>
Total capital assets being depreciated	<u>80,448,440</u>	<u>2,223,695</u>	<u>177,327</u>	<u>82,494,808</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
<i>Less accumulated depreciation for:</i>				
Land Improvements	\$ 14,647	\$ 1,424	\$ -	\$ 16,071
Structures	20,938,759	1,187,766	-	22,126,525
Sewer Mains	10,778,928	510,817	31,359	11,258,386
Service Laterals	294,308	21,479	-	315,787
Radio Read Meters	128,826	31,870	-	160,696
Pumping Stations	9,358,222	742,169	-	10,100,391
Machinery and Equipment	631,937	79,283	31,531	679,689
Transportation Equipment	1,454,285	152,851	46,869	1,560,267
General Plant Equipment	50,326	5,155	-	55,481
Furniture and Office Equipment	273,436	15,676	-	289,112
Communication Equipment	307,779	22,379	-	330,158
Total accumulated depreciation	<u>44,231,453</u>	<u>2,770,869</u>	<u>109,759</u>	<u>46,892,563</u>
Total capital assets being depreciated, net	<u>36,216,987</u>	<u>(547,174)</u>	<u>67,568</u>	<u>35,602,245</u>
Net Book Value	<u>\$ 37,010,319</u>	<u>\$ (537,335)</u>	<u>\$ 67,918</u>	<u>\$ 36,405,066</u>

Depreciation expense for the year ended June 30, 2021 was charged to the following accounts:

Depreciation Expense	\$ 2,618,016
Transportation Expense Clearing	<u>152,853</u>
	<u>\$ 2,770,869</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Information related to property, plant and equipment of the Waste Water System for the year ended June 30, 2020 was as follows:

	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
<i>Capital assets not being depreciated:</i>				
Distribution Plant: Land and Land Rights	\$ 565,046	\$ 350	\$ -	\$ 565,396
Construction in Progress, Net Change	881,251	-	653,315	227,936
Total capital assets not being depreciated	1,446,297	350	653,315	793,332
<i>Capital assets being depreciated:</i>				
Waste Water Plant in Service:				
Land Improvements	47,473	-	-	47,473
Structures	38,924,543	495,392	10,831	39,409,104
Sewer Mains	24,585,632	925,307	200,201	25,310,738
Service Laterals	1,038,605	9,176	-	1,047,781
Radio Read Meters	1,238,440	-	-	1,238,440
Pumping Stations	10,089,782	505,218	-	10,595,000
Machinery and Equipment	610,560	43,144	-	653,704
Transportation Equipment	1,497,173	4,730	-	1,501,903
General Plant Equipment	57,816	4,878	-	62,694
Furniture and Office Equipment	269,683	4,141	-	273,824
Communication Equipment	307,779	-	-	307,779
Total capital assets being depreciated	78,667,486	1,991,986	211,032	80,448,440

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
<i>Less accumulated depreciation for:</i>				
Land Improvements	\$ 13,223	\$ 1,424	\$ -	\$ 14,647
Structures	19,775,453	1,173,137	9,831	20,938,759
Sewer Mains	10,484,735	498,119	203,926	10,778,928
Service Laterals	273,442	20,866	-	294,308
Radio Read Meters	97,865	30,961	-	128,826
Pumping Stations	8,650,891	707,331	-	9,358,222
Machinery and Equipment	539,150	92,787	-	631,937
Transportation Equipment	1,304,173	150,112	-	1,454,285
General Plant Equipment	45,571	4,755	-	50,326
Furniture and Office Equipment	246,365	27,071	-	273,436
Communication Equipment	305,675	2,104	-	307,779
Total accumulated depreciation	<u>41,736,543</u>	<u>2,708,667</u>	<u>213,757</u>	<u>44,231,453</u>
Total capital assets being depreciated, net	<u>36,930,943</u>	<u>(716,681)</u>	<u>(2,725)</u>	<u>36,216,987</u>
Net Book Value	<u>\$ 38,377,240</u>	<u>\$ (716,331)</u>	<u>\$ 650,590</u>	<u>\$ 37,010,319</u>

Depreciation expense for the year ended June 30, 2020 was charged to the following accounts:

Depreciation Expense	\$ 2,558,556
Transportation Expense Clearing	<u>150,111</u>
	<u>\$ 2,708,667</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 4 – NOTE RECEIVABLE – WATER SYSTEM

During the year ended June 30, 2020, the Municipal Utilities Board of the City of Albertville's Water System refinanced its Water Revenue Bonds, Series 2010-SRF, by borrowing \$1,480,643 from the Waste Water System with a note dated December 19, 2019. The note requires monthly payments of \$13,564.31 including interest of 1.91% and matures December 19, 2029.

Changes in the note receivable from the Water System for the year ended June 30, 2021 was as follows:

	<u>Balance at June 30, 2020</u>	<u>Issues</u>	<u>Retirements</u>	<u>Balance at June 30, 2021</u>
Note Receivable – Water System	\$ 1,413,129	\$ -	\$ 136,976	\$ 1,276,153

Changes in the note receivable from the Water System for the year ended June 30, 2020 was as follows:

	<u>Balance at June 30, 2019</u>	<u>Issues</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>
Note Receivable – Water System	\$ -	\$ 1,480,643	\$ 67,514	\$ 1,413,129

Total principal and interest maturities of the note receivable for the years ended June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 139,615	\$ 23,157	\$ 162,772
2023	142,305	20,467	162,772
2024	145,047	17,725	162,772
2025	147,842	14,930	162,772
2026	150,690	12,082	162,772
2027 - 2031	550,654	19,046	569,700
	<u>\$ 1,276,153</u>	<u>\$ 107,407</u>	<u>\$ 1,383,560</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 5 - LONG-TERM DEBT

Long-term debt of the Waste Water System at June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
General Obligation Warrant, Series 2012-CWSRF-DL due annually on August 15 through 2033, with interest at 2.75% due semi-annually on February 15 and August 15, secured by waste water revenues	\$ 3,950,000	\$ 4,200,000
Sewer Revenue Bonds, Series 2013B-CWSRF-DL due annually on August 15 through 2034, with interest at 2.45% due semi-annually on February 15 and August 15, secured by waste water revenues	2,590,000	2,745,000
Sewer Revenue Bonds, Series 2019-A due annually on August 15 through 2031, with interest from 1.4% to 4% due semi-annually on February 15 and August 15, secured by waste water revenues	<u>5,500,000</u>	<u>5,925,000</u>
	12,040,000	12,870,000
Less Current Maturities	<u>845,000</u>	<u>830,000</u>
	11,195,000	12,040,000
Bond Premium (Discount)	<u>410,476</u>	<u>450,850</u>
	<u>\$ 11,605,476</u>	<u>\$ 12,490,850</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Changes in long-term debt of the Waste Water System for the year ended June 30, 2021 was as follows:

	<u>Balance at June 30, 2020</u>	<u>Issues</u>	<u>Retirements</u>	<u>Balance at June 30, 2021</u>
General Obligation Warrants, Series 2012-CWSRF-DL	\$ 4,200,000	\$ -	\$ 250,000	\$ 3,950,000
Sewer Revenue Bonds, Series 2013-CWSRF-DL	2,745,000	-	155,000	2,590,000
Sewer Revenue Bonds, Series 2019-A	<u>5,925,000</u>	<u>-</u>	<u>425,000</u>	<u>5,500,000</u>
	<u>\$ 12,870,000</u>	<u>\$ -</u>	<u>\$ 830,000</u>	<u>\$ 12,040,000</u>

Changes in long-term debt of the Waste Water System for the year ended June 30, 2020 was as follows:

	<u>Balance at June 30, 2019</u>	<u>Issues</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>
General Obligation Warrants, Series 2012-CWSRF-DL	\$ 4,445,000	\$ -	\$ 245,000	\$ 4,200,000
Sewer Revenue Bonds, Series 2013-A	4,750,000	-	4,750,000	-
Sewer Revenue Bonds, Series 2013-CWSRF-DL	2,895,000	-	150,000	2,745,000
Sewer Revenue Bonds, Series 2019-A	<u>-</u>	<u>5,925,000</u>	<u>-</u>	<u>5,925,000</u>
	<u>\$ 12,090,000</u>	<u>\$ 5,925,000</u>	<u>\$ 5,145,000</u>	<u>\$ 12,870,000</u>

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Total principal and interest maturities of long-term debt for the years ended June 30 are as follows:

	Principal	Interest	Total
2022	\$ 845,000	\$ 335,930	\$ 1,180,930
2023	865,000	318,796	1,183,796
2024	885,000	297,628	1,182,628
2025	910,000	272,312	1,182,312
2026	935,000	246,292	1,181,292
2027 – 2031	5,145,000	763,234	5,908,234
2032 – 2036	2,455,000	96,295	2,551,295
	<u>\$ 12,040,000</u>	<u>\$ 2,330,487</u>	<u>\$ 14,370,487</u>

For the years ended June 30, 2021 and 2020, interest expense recognized on the revenue bonds and notes was \$353,861 and \$377,943, respectively. These amounts include amortization of the deferred amount on refunding of \$46,927 and \$40,840 for the years ended June 30, 2021 and 2020, respectively, and amortization of the bond discount/(premium) of (\$40,375) and (\$18,956) for the years ended June 30, 2021 and 2020, respectively. Amortization of debt costs of \$5,138 and \$1,996 for the years ended June 30, 2021 and 2020, respectively, are included separately in the income statement.

During the year ended June 30, 2020, the Municipal Utilities Board of the City of Albertville issued its Sewer Revenue Bonds, Series 2019-A, dated December 19, 2019, in the principal amount of \$5,925,000. The Bonds were issued to defease both the Sewer Revenue Bonds, Series 2013-A and the Water Revenue Bonds, Series 2010-SRF. As part of this bond refinancing, the Water System borrowed from the Waste Water System a total of \$1,480,643 (see Note 4).

The Waste Water System must meet certain loan covenants in connection with its long-term debt. Management is not aware of any violations of these covenants at June 30, 2021.

NOTE 8 - PENSION PLAN

The Municipal Utilities Board of the City of Albertville (the Board) contributes to the Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement system, which acts as a common investment and administrative agent for the various state agencies and departments.

General Information About the Pension Plan

Plan Description

The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police,

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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 13 trustees. Effective October 1, 2021 Act 390 of the Legislature of 2021 will create two additional representatives and change the composition of representatives within the ERS Board of Control. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

Benefits Provided

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

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service

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and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

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

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

The ERS serves approximately 853 local participating employers. The ERS membership includes approximately 101,245 participants. As of September 30, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	28,672
Terminated employees entitled to but not yet receiving benefits	1,974
Terminated employees not entitled to a benefit	14,133
Active members	56,369
Post-DROP participants still in active service	<u>97</u>
Total	<u>101,245</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 are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

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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 firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the years ended June 30, 2021 and 2020, the Board's active employee contribution rate was 5% for Tier 1 employees, and 7.5% and 6%, respectively, for Tier 2 employees of covered employee payroll, and the Board's average contribution rate to fund the normal and accrued liability costs was 14.49% for 2021 and 14.18% for 2020 of pensionable employee payroll.

The Board's contractually required contribution rate for the year ended June 30, 2021 was 14.89% of pensionable pay for Tier 1 employees, and 12.16% of pensionable pay for Tier 2 employees. The Board's contractually required contribution rate for the year ended June 30, 2020 was 14.83% of pensionable pay for Tier 1 employees, and 12.04% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuations as of September 30, 2017 and 2016, respectively, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Board were \$998,245 and \$918,636 for the years ended June 30, 2021 and 2020, respectively.

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The components of the Board's contributions for the year ended June 30, 2021 were as follows:

	<u>Electric</u>	<u>Water</u>	<u>Waste Water</u>	<u>Total</u>
Employee Contributions	\$ 167,732	\$ 98,765	\$ 107,511	\$ 374,008
Employer Contributions	<u>458,743</u>	<u>269,252</u>	<u>270,250</u>	<u>998,245</u>
	<u>\$ 626,475</u>	<u>\$ 368,017</u>	<u>\$ 377,761</u>	<u>\$ 1,372,253</u>

The components of the Board's contributions for the year ended June 30, 2020 were as follows:

	<u>Electric</u>	<u>Water</u>	<u>Waste Water</u>	<u>Total</u>
Employee Contributions	\$ 151,324	\$ 89,711	\$ 92,503	\$ 333,538
Employer Contributions	<u>423,665</u>	<u>249,683</u>	<u>245,288</u>	<u>918,636</u>
	<u>\$ 574,989</u>	<u>\$ 339,394</u>	<u>\$ 337,791</u>	<u>\$ 1,252,174</u>

Employer contribution amounts include active employees and cost of living adjustments approved by the Board for retired employees.

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Net Pension Liability

The Board's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019 rolled forward to September 30, 2020 using standard roll-forward techniques as shown in the following table:

	<u>Expected</u>	<u>Actual Before Act 2019-132</u>	<u>Actual After Act 2019-132</u>
(a) Total Pension Liability as of September 30, 2019	\$ 31,072,802	\$ 31,421,359	\$ 31,574,022
(b) Discount Rate	7.70%	7.70%	7.70%
(c) Entry Age Normal Cost for the Period October 1, 2019 – September 30, 2020	445,568	445,568	474,068
(d) Transfers Among Employers:	0	16,888	16,888
(e) Actual Benefit Payments and Refunds for the Period October 1, 2019 – September 30, 2020	<u>(1,864,029)</u>	<u>(1,864,029)</u>	<u>(1,864,029)</u>
(f) Total Pension Liability as of September 30, 2020 [(a) x (1+(b))] + (c) + (d) + [(e) x (1+.05*(b))]	<u>\$ 31,975,182</u>	<u>\$ 32,367,265</u>	<u>\$ 32,560,184</u>
(g) Difference between Expected and Actual:		\$ 392,083	
(h) Less Liability Transferred for Immediate Recognition:		\$ 16,888	
(i) Difference between Expected and Actual – Experience (Gain)/Loss		\$ 375,395	
(j) Difference between Actual Total Pension Liability Before and After Act 2019-132 – Benefit Change (Gain)/Loss			\$ 192,919

Actuarial Assumptions

The total pension liability as of September 30, 2020, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2019. The key actuarial assumptions are summarized below:

Inflation	2.75%
Projected Salary increases	3.25% - 5.00%
Investment rate of return*	7.70%

*Net of pension plan investment expense

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

The actuarial assumptions used in the actuarial valuation as of September 30, 2018, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.00%	4.40%
US Large Stocks	32.00%	8.00%
US Mid Stocks	9.00%	10.00%
US Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	100.00%	

* Includes assumed rate of inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 9/30/2019	\$ 31,072,802	\$ 18,477,883	\$ 12,594,919
Changes for the Year			
Service Cost	445,568	-	445,568
Interest	2,320,841	-	2,320,841
Changes in Benefit Terms	192,919	-	192,919
Changes in Assumptions	-	-	-
Differences between expected and actual experience	375,395	-	375,395
Contributions – Employer	-	943,044	(943,044)
Contributions – Employee	-	352,769	(352,769)
Net Investment Income	-	1,040,119	(1,040,119)
Benefit Payments, Including Refunds of Employee Contributions	(1,864,029)	(1,864,029)	-
Administrative Expense	-	-	-
Transfers Among Employees	16,688	16,688	-
Net Changes	1,487,382	488,591	998,791
Balances at 9/30/2020	\$ 32,560,184	\$ 18,966,474	\$ 13,593,710

The net pension liability is reflected in each System's financial statements as follows:

<u>System</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Electric	\$ 6,389,044	\$ 5,919,612
Water	3,670,302	3,526,577
Waste Water	3,534,364	3,148,730
Total	\$ 13,593,710	\$ 12,594,919

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

The following table presents the Board's net pension liability calculated using the discount rate of 7.70%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	1% Decrease (6.70%)	Current Discount Rate (7.70%)	1% Increase (8.70%)
Board's Net Pension Liability	\$ 17,537,755	\$ 13,593,710	\$ 10,275,720

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, 2020. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2020. The auditor's report dated April 30, 2021 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/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended June 30, 2021, the Board recognized pension expense of \$998,245. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,075,363	\$ 0
Changes of assumptions	211,070	0
Net difference between projected and actual earnings on pension plan investments	587,323	0
Employer contributions subsequent to the measurement date	729,227	0
Total	<u>\$ 2,602,983</u>	<u>\$ 0</u>

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For the year ended June 30, 2020, the Board recognized pension expense of \$918,634. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,017,426	\$ 0
Changes of assumptions	291,394	0
Net difference between projected and actual earnings on pension plan investments	203,245	0
Employer contributions subsequent to the measurement date	686,395	0
Total	<u>\$ 2,198,460</u>	<u>\$ 0</u>

The Deferred Outflows of Resources and Deferred Inflows of Resources were reported in each System's financial statements as follows as of June 30, 2021:

<u>System</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Electric	\$ 1,201,060	\$ -
Water	717,079	-
Waste Water	684,844	-
Total	<u>\$ 2,602,983</u>	<u>\$ -</u>

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The Deferred Outflows of Resources and Deferred Inflows of Resources were reported in each System's financial statements as follows as of June 30, 2020:

<u>System</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Electric	\$ 1,017,760	\$ -
Water	610,315	-
Waste Water	<u>570,384</u>	<u>-</u>
Total	<u>\$ 2,198,459</u>	<u>\$ -</u>

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

Year ended June 30:	
2022	\$406,176
2023	533,575
2024	516,676
2025	270,008
2026	135,214
Thereafter	12,107

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NOTE 9 - POST-RETIREMENT HEALTH CARE BENEFITS

In addition to pension benefits, the Board provides post-retirement health care benefits in accordance with Board policy.

Description

The Municipal Utilities Board of the City of Albertville (the Board) follows the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

The Board, through its commitment to provide other post-employment benefits (OPEB), provides medical benefits to eligible retired employees and their beneficiaries. The Board provides these benefits through the Local Government Health Insurance Plan (LGHIP), an agent multiple-employer healthcare plan affiliated with the Retirement System of Alabama (See Note 8). Once retirees and/or their dependents are eligible for Medicare, their coverage through LGHIP becomes secondary to Medicare.

The Board is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the plan consists solely of the Board's commitment to provide OPEB through the payment of premiums to the LGHIP, no stand-alone financial report is either available or generated.

Benefits Provided

Retirees are offered health coverage through the Alabama Local Government Health Insurance Board (LGHIB). Premiums under the Plan for post-employment healthcare benefits are funded by participating retirees in accordance with rates established by the LGHIB and by MUB itself from appropriate system funds. For the first three years after retirement, retirees pay \$30 per month for single coverage and \$65 per month for family coverage; the same rate as active employees. At the end of the three-year period, the retiree must pay the entire cost of their premium and that of their dependents. Medical and drug benefits are offered for both pre-Medicare and Medicare eligible retirees.

Medical premiums for non-Medicare retirees was \$1,078 per month for single coverage and \$1,987 per month for family coverage. Medicare primary retirees paid \$198 per month for single coverage and \$396 per month for family coverage. The Plan is financed on a pay-as-you-go basis.

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

At June 30, 2021, the Board reported a liability of \$3,006,701 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2020. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of the contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

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Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at 9/30/2019	\$ 2,927,979	\$ -	\$ 2,927,979
Changes for the Year			
Service Cost at the end of the year	126,225	-	126,225
Interest on Total OPEB Liability and Cash Flows	76,412	-	76,412
Changes in benefit terms	46,798	-	46,798
Differences between expected and actual experience	(182,331)	-	(182,331)
Changes in Assumptions or other inputs	123,074	-	123,074
Benefit Payments and implicit subsidy credit	(111,456)	-	(111,456)
Other	-	-	-
Net Changes	78,722	-	78,722
Balances at 9/30/2020	\$ 3,006,701	\$ -	\$ 3,006,701

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in healthcare cost trend rates
The following presents the net OPEB liability of the plan as of September 30, 2020, using the current healthcare trend rate, as well as what the net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Board's Total OPEB Liability	\$ 2,655,808	\$ 3,006,701	\$ 3,420,278
	Discount Rate Sensitivity		
	1% Decrease	Current	1% Increase
	(1.21%)	Discount Rate (2.21%)	(3.21%)
Board's Total OPEB Liability	\$ 3,257,864	\$ 3,006,701	\$ 2,770,251

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The financial statements as of June 30, 2021 reflect a long-term liability and related expense divided by system as follows:

<u>System</u>	<u>Long-Term Liability</u>	<u>Related Expense</u>
Electric	\$ 1,262,815	\$ 94,603
Water	871,943	42,810
Waste Water	<u>871,943</u>	<u>57,749</u>
Total	<u>\$ 3,006,701</u>	<u>\$ 195,162</u>

The financial statements as of June 30, 2020 reflect a long-term liability and related expense divided by system as follows:

<u>System</u>	<u>Long-Term Liability</u>	<u>Related Expense</u>
Electric	\$ 1,229,751	\$ 72,584
Water	849,114	56,024
Waste Water	<u>849,114</u>	<u>26,519</u>
Total	<u>\$ 2,927,979</u>	<u>\$ 155,126</u>

For the year ended June 30, 2021, the Board recognized OPEB expense of \$195,162. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 250,378
Changes of assumptions	403,540	95,744
Employer contributions subsequent to the measurement date	1,074,822	0
Employee and retiree contributions subsequent to the measurement date	<u>0</u>	<u>94,618</u>
Total	<u>\$ 1,478,362</u>	<u>\$ 440,740</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

For the year ended June 30, 2020, the Board recognized OPEB expense of \$155,126. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 98,340
Changes of assumptions	326,776	110,222
Employer contributions subsequent to the measurement date	1,012,132	0
Employee and retiree contributions subsequent to the measurement date	0	98,076
Total	<u>\$ 1,338,908</u>	<u>\$ 306,638</u>

The Deferred Outflows of Resources and Deferred Inflows of Resources were reported in each System's financial statements as follows as of June 30, 2021:

<u>System</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Electric	\$ 506,568	\$ 189,921
Water	479,899	132,548
Waste Water	<u>491,895</u>	<u>118,272</u>
Total	<u>\$ 1,478,362</u>	<u>\$ 440,740</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

The Deferred Outflows of Resources and Deferred Inflows of Resources were reported in each System's financial statements as follows as of June 30, 2020:

<u>System</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Electric	\$ 462,045	\$ 135,012
Water	425,248	93,235
Waste Water	451,615	78,391
Total	<u>\$ 1,338,908</u>	<u>\$ 306,638</u>

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

Year ended June 30:	
2021	\$ 1,539
2022	1,539
2023	1,539
2024	1,539
2025	1,539
Thereafter	49,723

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Real wage growth	0.25%
Wage inflation	3.00%
Salary increases, including wage inflation	3.25% - 5.00%
Municipal Bond Index Rate	
Prior Measurement Date	2.66%
Measurement Date	2.21%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2019 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00%

The discount rate used to measure TOL was based on the September average of the Bond Buyer General

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Obligation 20-year Municipal Bond Index published by The Bond Buyer.

Mortality rates for active employees were based on the sex distinct RP-2000 Employee Mortality Table projected with Scale BB to 2020 with an adjustment factor of 70% for males and 50% for females. Post-retirement mortality rates on the sex distinct RP-2000 Blue Collar Mortality Table projected with Scale BB to 2020. An adjustment of 125% at all ages for males and 120% for females beginning at age 78 was made for service retirements and beneficiaries. An adjustment of 130% for females at all ages was made for disability retirements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2010 – September 30, 2015, and were submitted to and adopted by the Board of the Employees' Retirement system of Alabama on September 29, 2016.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2020 valuation were based on a review of recent plan experience done concurrently with the September 30, 2020 valuation.

The long-term expected rate of return on the OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns. The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed Income	30.00%	4.40%
US Large Stocks	38.00%	8.00%
US Mid Stocks	8.00%	10.00%
US Small Stocks	4.00%	11.00%
International Developed Market Stocks	15.00%	9.50%
Cash Equivalents	<u>5.00%</u>	1.50%
Total	<u>100.00%</u>	

* Includes assumed rate of inflation of 2.75%.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE – WASTE WATER SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 7 - RELATED PARTY TRANSACTIONS

The Municipal Utilities Board of the City of Albertville operates the Electric, Water and Waste Water Systems. In order to stream-line operations, the Electric System bills and collects revenues for the Water and Waste Water Systems and remits those billings monthly. Vendor payments are consolidated whenever practical while maintaining the proper coding of expenses to each department. The payroll system is maintained by the Electric System with reimbursements from the Water and Waste Water Systems. In addition, each system purchases utility services from the other respective systems.

The related party receivable amounts as of June 30, 2021 and 2020 were \$456,336 and \$290,461, respectively, and represent net amounts due from the Electric System to the Waste Water System.

NOTE 8 - MAJOR CUSTOMERS

The Waste Water System had three customers to whom sales constitute 10% or more of total Waste Water revenue. Information pertaining to these customers for the years ended June 30, 2021 and 2020 is shown below:

	<u>2021</u>	<u>2020</u>
Sales for the Year	\$ 3,806,851	\$ 3,702,258
Accounts Receivable at Year End	330,534	322,753

NOTE 9 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs and worker's compensation. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There have been no significant reductions in insurance coverage.

NOTE 10 - SUBSEQUENT EVENTS

The Municipal Utilities Board of the City of Albertville evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. The Municipal Utilities Board of the City of Albertville evaluated subsequent events through October 26, 2021, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020

SCHEDULES OF CHANGES IN THE BOARD'S NET PENSION LIABILITY AND RELATED RATIOS

Last Ten (10) Fiscal Years Ending September 30

	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012	September 30, 2011
Total Pension Liability										
Service Cost	\$ 445,568	\$ 428,717	\$ 407,409	\$ 382,828	\$ 398,212	\$ 379,498	\$ 364,766	\$ -	\$ -	\$ -
Interest	2,320,841	2,218,024	2,151,504	2,093,962	2,067,864	1,966,782	1,909,399	-	-	-
Changes of Benefit Terms	192,919	-	-	-	-	-	-	-	-	-
Differences Between										
Expected and Actual Experience	375,395	634,670	173,586	315,077	144,947	474,452	-	-	-	-
Changes of Assumptions	-	-	162,476	-	403,120	-	-	-	-	-
Benefit Payments, Including										
Refunds of Employee Contributions	(1,864,029)	(2,028,241)	(1,672,318)	(2,107,286)	(1,565,510)	(1,548,899)	(1,564,873)	-	-	-
Transfers Among Employers	16,688	-	(525)	(159,587)	(7,179)	-	-	-	-	-
Net Change in Total Pension Liability	1,487,382	1,253,170	1,222,132	524,994	1,441,454	1,271,833	709,292	-	-	-
Total Pension Liability - Beginning	31,072,802	29,819,632	28,597,500	28,072,506	26,631,052	25,359,219	24,649,927	-	-	-
Total Pension Liability - Ending	\$ 32,560,184	\$ 31,072,802	\$ 29,819,632	\$ 28,597,500	\$ 28,072,506	\$ 26,631,052	\$ 25,359,219	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 943,044	\$ 875,592	\$ 860,087	\$ 825,654	\$ 797,996	\$ 743,007	\$ 692,260	\$ -	\$ -	\$ -
Contributions - Employee	352,769	322,885	311,959	297,978	281,741	274,597	265,949	-	-	-
Net Investment Income	1,040,119	472,984	1,616,653	2,076,089	1,574,278	187,246	1,751,570	-	-	-
Benefit Payments, Including										
Refunds of Employee Contributions	(1,864,029)	(2,028,241)	(1,672,318)	(2,107,286)	(1,565,510)	(1,548,899)	(1,564,873)	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Transfers Among Employers	16,688	-	(525)	(159,587)	(7,179)	-	4,575	-	-	-
Net Change in Plan Fiduciary Net Position	488,591	(356,780)	1,115,856	932,848	1,081,326	(344,049)	1,149,481	-	-	-
Plan Fiduciary Net Position - Beginning	18,477,883	18,834,663	17,718,807	16,785,959	15,704,633	16,048,682	14,899,201	-	-	-
Plan Fiduciary Net Position - Ending	\$ 18,966,474	\$ 18,477,883	\$ 18,834,663	\$ 17,718,807	\$ 16,785,959	\$ 15,704,633	\$ 16,048,682	\$ -	\$ -	\$ -
Board's Net Pension Liability - Ending	\$ 13,593,710	\$ 12,594,919	\$ 10,984,969	\$ 10,878,693	\$ 11,286,547	\$ 10,926,419	\$ 9,310,537	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.25%	59.47%	63.16%	61.96%	59.80%	58.97%	63.29%			
Covered-Employee Payroll *	\$ 6,830,182	\$ 6,262,360	6,028,705	5,860,040	5,620,854	5,443,506	5,296,453			
Board's Net Pension Liability as a Percentage of Covered-Employee Payroll	199.02%	201.12%	182.21%	185.64%	200.80%	200.72%	175.79%			

*Employer's covered-payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY2021, the measurement period is October 1, 2019 - September 30, 2020.

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

SCHEDULES OF EMPLOYER CONTRIBUTIONS

Last Ten (10) Fiscal Years Ending June 30

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Actuarially Determined Contribution *	\$ 998,245	\$ 918,636	\$ 863,669	\$ 823,941	\$ 815,306	\$ 829,236	\$ 749,824	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution *	998,245	918,636	863,669	823,941	815,306	829,236	749,824	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll **	\$ 6,887,643	\$ 6,477,556	6,216,723	5,968,322	5,822,269	5,752,545	5,415,852			
Contributions as a Percentage of Covered Employee Payroll	14.49%	14.18%	13.89%	13.81%	14.00%	14.42%	13.84%			

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

** Employer's covered payroll for FY2021 is the total covered payroll for the 12 month period of the underlying financial statement.

Notes to Schedule

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2021 were based on the September 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2020 to September 30, 2021:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	28.1 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

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020

SCHEDULES OF CHANGES IN THE BOARD'S NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS

Last Ten (10) Fiscal Years Ending September 30

	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012	September 30, 2011
Total OPEB Liability										
Service Cost at End of Year	\$ 126,225	\$ 90,329	\$ 98,998	\$ 109,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total OPEB Liability	76,412	101,561	84,976	72,826	-	-	-	-	-	-
Changes of Benefit Terms	46,798	-	-	-	-	-	-	-	-	-
Differences Between										
Expected and Actual Experience	(182,331)	(3,242)	(29,176)	(100,303)	-	-	-	-	-	-
Changes of Assumptions or Other Inputs	123,074	361,137	(9,974)	(142,733)	-	-	-	-	-	-
Benefit Payments and										
Implicit Subsidy Credit	(111,456)	(101,958)	(89,143)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	78,722	447,827	55,681	(61,071)	-	-	-	-	-	-
Total OPEB Liability - Beginning	2,927,979	2,480,152	2,424,471	2,485,542	-	-	-	-	-	-
Total OPEB Liability - Ending	<u>\$ 3,006,701</u>	<u>\$ 2,927,979</u>	<u>\$ 2,480,152</u>	<u>\$ 2,424,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's Net OPEB Liability - Ending	<u>\$ 3,006,701</u>	<u>\$ 2,927,979</u>	<u>\$ 2,480,152</u>	<u>\$ 2,424,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%						
Covered-Employee Payroll	\$ 6,632,043	\$ 5,922,723	\$ 5,922,723	5,520,856						
Board's Net OPEB Liability as a Percentage of Covered-Employee Payroll	45.34%	49.44%	41.88%	43.91%						

SUPPLEMENTARY INFORMATION

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

SCHEDULES OF OPERATING EXPENSE

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
	Amount	Percent of Operating Revenue	Amount	Percent of Operating Revenue
WASTE WATER TREATMENT PLANT EXPENSE				
Salaries and Wages	\$ 881,804	10.67 %	\$ 804,115	10.34 %
Supplies	55,843	0.68	98,822	1.27
Employee Welfare	373,727	4.52	328,204	4.22
Chemicals and Odor Control	265,022	3.21	239,761	3.08
Maintenance and Repair	210,286	2.54	138,621	1.78
Sludge Disposal	179,881	2.18	104,522	1.34
Utilities	926,038	11.20	814,670	10.48
Other	63,548	0.77	49,897	0.64
	<u>2,956,149</u>	<u>35.75</u>	<u>2,578,612</u>	<u>33.16</u>
PUMPING STATIONS EXPENSE				
Salaries and Wages	114,581	1.39	113,127	1.45
Supplies	67,347	0.81	73,330	0.94
Maintenance and Repair	304,937	3.69	248,615	3.20
Utilities	251,108	3.04	262,589	3.38
	<u>737,973</u>	<u>8.93</u>	<u>697,661</u>	<u>8.97</u>
WASTE WATER LINE EXPENSE				
Salaries and Wages	248,759	3.01	252,009	3.24
Supplies	198,744	2.40	112,339	1.44
Maintenance and Repair	347,978	4.21	295,268	3.80
Utilities	3,329	0.04	3,327	0.04
Other	77,541	0.94	76,445	0.98
	<u>876,351</u>	<u>10.60</u>	<u>739,388</u>	<u>9.51</u>
CUSTOMER ACCOUNTS EXPENSE				
Billing and Collection	321,624	3.89	299,558	3.85
ADMINISTRATIVE AND GENERAL EXPENSE				
Salaries and Wages	91,447	1.11	86,471	1.11
General	42,184	0.51	46,308	0.60
Supplies	61,331	0.74	53,341	0.69
Insurance	110,896	1.34	105,875	1.36
Legal, Accounting, and Consulting	17,667	0.21	117,445	1.51
Employee Pensions and Benefits	840,494	10.17	784,916	10.09
	<u>1,164,019</u>	<u>14.08</u>	<u>1,194,356</u>	<u>15.36</u>
	<u>\$ 6,056,116</u>	<u>73.25 %</u>	<u>\$ 5,509,575</u>	<u>70.85 %</u>

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM
SCHEDULES OF OPERATING STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021

Customer Accounts and Gallons Billed

	Average Number of Customers	Annual Consumption
Residential	5,828	352,681,300
Commercial	936	126,762,200
Industrial	27	1,171,332,500
	<u>6,791</u>	<u>1,650,776,000</u>

Largest Customers - Waste Water Revenue, Percentage of Total Waste Water Revenue and Gallons

	Waste Water Revenues	Percentage of Waste Water Revenues	Consumption
Tyson Foods, Inc.	\$ 1,560,543	20.44%	379,149,700
Huhtamaki Retail	1,135,423	14.87%	245,980,600
Wayne Farms, LLC	1,110,885	14.55%	257,160,100
Alatrade Foods, LLC	521,492	6.83%	90,397,100
OK Foods	320,049	4.19%	64,225,800
	<u>\$ 4,648,392</u>	<u>60.88%</u>	<u>1,036,913,300</u>
Total Waste Water Sales Revenue	<u>\$ 7,634,898</u>		

Unaudited

(Continued)

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM
SCHEDULES OF OPERATING STATISTICS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Average Residential Usage - Gallons

<u>Total Annual Consumption</u>	<u>Average Monthly Consumption</u>	<u>Average Number of Customers</u>	<u>Average Monthly Consumption Per Customer</u>
352,681,300	29,390,108	5,828	5,043

Measurement of Transmission Mains and Distribution Lines

	<u>Total Feet</u>	<u>Total Cost</u>	<u>Price Per Foot</u>
Sewer Mains	668,811	\$ 9,253,734	\$ 13.84
2" Sewer Mains	2,537	28,688	11.31
3" Sewer Mains	14,680	159,223	10.85
4" Sewer Mains	10,992	219,499	19.97
6" Sewer Mains	14,463	453,862	31.38
8" Sewer Mains	83,847	5,998,523	71.54
10" Sewer Mains	8,934	371,079	41.54
12" Sewer Mains	24,532	1,620,663	66.06
15", 16", 18", 24" and 36" Sewer Mains	34,281	5,923,570	172.79
	<u>863,077</u>	<u>\$ 24,028,841</u>	<u>\$ 439.28</u>

Total Miles of Pipeline 163.46

Quantity of Manholes and Service Laterals

	<u>Quantity</u>	<u>Total Cost</u>	<u>Price Per Item</u>
Manholes	363	\$ 1,737,155	\$ 4,785.55
2" Service Laterals	79	51,987	658.06
4" Service Laterals	993	991,706	998.70
6" Service Laterals	63	50,484	801.33
8" Service Laterals	15	22,911	1,527.40
	<u>1,513</u>	<u>\$ 2,854,243</u>	<u>\$ 8,771.05</u>

Unaudited

MUNICIPAL UTILITIES BOARD OF THE CITY OF ALBERTVILLE - WASTE WATER SYSTEM

SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY

JUNE 30, 2021

Maturity Date	General Obligation Warrant, Series 2012-CWSRF-DL Dated October 1, 2012			Sewer Revenue Bonds, Series 2013B-CWSRF-DL Dated October 1, 2013			Sewer Revenue Bonds, Series 2019A Dated December 1, 2019			Total Principal and Interest
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	
2022	2.75 %	\$ 255,000	\$ 105,119	2.45 %	\$ 155,000	\$ 61,556	1.40 %	\$ 435,000	\$ 169,255	\$ 1,180,930
2023		265,000	97,969		160,000	57,697	1.40	440,000	163,130	1,183,796
2024		270,000	90,612		165,000	53,716	3.00	450,000	153,300	1,182,628
2025		280,000	83,050		170,000	49,612	3.00	460,000	139,650	1,182,312
2026		285,000	75,281		175,000	45,386	3.00	475,000	125,625	1,181,292
2027		295,000	67,306		180,000	41,037	4.00	495,000	108,600	1,186,943
2028		300,000	59,125		185,000	36,566	4.00	510,000	88,500	1,179,191
2029		310,000	50,738		185,000	32,034	4.00	530,000	67,700	1,175,472
2030		320,000	42,075		190,000	27,441	2.00	555,000	51,550	1,186,066
2031		330,000	33,138		195,000	22,724	4.00	565,000	34,700	1,180,562
2032		340,000	23,925		200,000	17,885	4.00	585,000	11,700	1,178,510
2033		345,000	14,506		205,000	12,924		-	-	577,430
2034		355,000	4,881		210,000	7,840		-	-	577,721
2035		-	-		215,000	2,634		-	-	217,634
		<u>\$ 3,950,000</u>	<u>\$ 747,725</u>		<u>\$ 2,590,000</u>	<u>\$ 469,052</u>		<u>\$ 5,500,000</u>	<u>\$ 1,113,710</u>	<u>\$ 14,370,487</u>