



City of Foley, Alabama
Annual
Comprehensive
Financial Report
For the year ended
September 30, 2025



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THE CITY OF FOLEY, ALABAMA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended
September 30, 2025

Prepared By: Financial Services Division

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City of Foley, Alabama
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended September 30, 2025

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

February 16, 2026

The Honorable Ralph G. Hellmich, Mayor
Members of the City Council
Citizens of the City of Foley, Alabama

The Annual Comprehensive Financial Report of the City of Foley, Alabama (the City), for the fiscal year ended September 30, 2025, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. A comprehensive framework of internal control has been established and is updated and maintained in a manner that offers assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

As required by State law, an annual audit of the City's financial statements is conducted in accordance with established standards. Warren Averett, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2025. The independent auditors' report is located at the beginning of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report. The statistical section located near the end of this report provides historical financial and demographic information.

Profile of the City

The City of Foley, Alabama, was founded in 1901 and incorporated in 1915 under the Constitution and laws of the State of Alabama. Foley is located in Baldwin County in the southernmost part of the state, just 8 miles north of the Gulf of Mexico. It currently services an estimated population of 30,979 and occupies approximately 35 square miles. The City operates under a strong council-weak mayor form of government. The five-member council is presided over by a president who is chosen by the council members and also is a voting member of the council. All ordinances and resolutions are subject to the veto power of the mayor although the mayor's veto can be overridden by a two-thirds vote of the council.

The City provides a full range of services including general administration, police and fire protection, building inspections, licenses and permits, emergency preparedness and response, refuse collection, construction and maintenance of highways, streets and related infrastructure, recreational and leisure activities and cultural enrichment. The City evaluated various other entities within the vicinity of the City which could possibly be subject to inclusion within its financial statements under criteria established to define the reporting entity and its component units. In the Financial Section, Notes to the Financial

Statements, Note A.1. discusses these entities and why they are either included or excluded from the City's financial reporting.

Budgetary Control

The annual budget serves as the City's guide to financial planning and control. Departmental Directors submit their budget requests to Finance and a draft budget for each fund is prepared for review by the Mayor and City Administrator. On or before September first of each year, the Mayor submits proposed budgets to the City Council for consideration and the budgets are legally adopted by resolution prior to October first. Budgetary control is maintained at the departmental level and budgeted dollars may not be exceeded without Council approval in the following categories; personnel, capital equipment, and the sum of all remaining operational expenditures. Departmental Directors present capital purchase and new personnel requests to the Mayor and/or City Council prior to beginning the requisition or hiring process. Requests are approved, denied or deferred based on current economic conditions. With the exception of capital project appropriations that generally span multiple years, budgets for all funds lapse at the end of each fiscal year.

Multi-year planning documents for capital projects are presented for informational purposes with the annual budget; however, only the remaining budgets for projects approved and in progress are carried forward to the new fiscal year. To provide control over changing financial conditions, new capital projects may not commence until the City Council, by formal action, approves the project and appropriates funding.

Local Economy

Because of Foley's close proximity to Alabama's beautiful white sandy beaches, tourism plays an important role in the City's economy. According to the director of the Alabama Tourism Department, Alabama, nearly 29 million tourists visited Alabama beaches, campgrounds, state parks and hotels in 2024. The department's calendar year 2024 Economic Impact Report showed that Baldwin County's estimated 8.4 million visitors, an increase of 8 thousand from the previous year, represented 29 percent of all visitors to the State. Travelers spent approximately \$7.9 billion in Baldwin County, which is consistent with 2023. Total travel-related earnings (both direct and indirect) was also consistent with 2023 at nearly \$2.8 billion and represented 35 percent of the statewide total. The County's total (direct and indirect) travel-related employment of 64,680 represented 26.02 percent of all Alabama travel-related employment.

OWA, the City's main tourist attraction and a major employer, consist of an outdoor amusement park, a 100,000 square-foot indoor water park as well as an outdoor waterpark. Employers such as these account for the City's 2.3 percent unemployment rate which is lower than the nation's 4.3 percent average.

Foley is the retail hub of the county anchored by Tanger mall and a number of national and regional retailers and restaurants, all of which greatly enhances the City's sales tax proceeds which financial supports our city operations and initiatives.

The general fund accounts for the day-to-day activity of the government and includes all activity not assigned to special purpose funds. The City has a permanent sales tax rate of three percent. The lodging tax rate is seven percent and is primarily influenced by tourism. The highest expenditures for services occurred in public safety as city leaders strive to provide its citizens with a safe living environment. The second highest expenditures occurred in general government which provides support services to other departments and proprietary funds of the city.

S&P Global Ratings maintained its AA- long-term rating on other GO debt outstanding, its A+ long-term rating on the series 2013 lease purchase certificates of participation, and its A+ long-term rating and underlying rating (SPUR) on the Public Facilities Cooperative District's series 2009 and 2016 revenue bonds

that are supported by the City. Moody's Investors Services maintained its Aa3 rating on the GO debt stating that the City's healthy credit position matched the nationwide median of other Aa3 cities.

Long-term financial planning and major initiatives

Management prepares and maintains various long term capital expenditure planning documents with the most recent report beginning on page 98 of the fiscal year 2026 annual budget which is published on the City's website (www.cityoffoley.org) under the Financial Services Division. A schedule of construction work in-progress that shows projects completed and projects under construction at the end of the current fiscal year can be found just before the Statistical Section of this report.

The cost of funding these plans is incorporated into a ten-year cash flow analysis to determine the amount of unrestricted fund balance above the established minimum goal that is available for funding future capital expenditures and to identify possible future financing needs. Fund balance and the minimum unrestricted fund balance goal of the General Fund are continually reviewed to ensure the provision of stable service delivery, meet future needs, and endure periods of economic stress. Refer to the Financial Section, Notes to the Financial Statements, Note A.11. for additional information on fund balance.

Major Initiatives

In September 2024, the City Council adopted the Foley Strategic Plan. The strategic plan reflects the needs and aspirations of our residents and developed through community surveys, public forums, and interviews.

This five-year strategic plan includes five key priority areas:

- Livable Community
- Economic Development
- Community Safety
- Culture, Arts, and Recreational Experiences
- Organizational Excellence

Each priority area—as well as their associated goals and objectives—are critical to ensuring that Foley remains a livable, enjoyable place. This plan intends to preserve what is special about our community while meeting the needs of both current and future residents.

Our Vision - Foley's historic charm will be preserved and serve as our foundation as we create exceptional services, facilities, and infrastructure - through a forward-thinking leadership mindset for our diverse community.

Our Mission - The City of Foley is dedicated to serving our residents and visitors with integrity by providing innovative and fiscally responsible services that promote safety, friendliness, and stability while helping to ensure a thriving community.

This plan was fully integrated into our fiscal year 2026 budget which helps align budget needs with the established plan for the city.

Relevant financial policies

The City of Foley strives to maintain an up-to-date set of comprehensive financial policies. New Governmental Accounting Standards Board (GASB) pronouncements are closely analyzed to determine any impact to the City's financial reporting requirements and proactive steps are taken to ensure implementation

guidelines are followed and deadlines are met. Refer to Note A.13. in the Financial Section for a summary of pending pronouncements and their effective dates.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits and that the valuation of the costs and benefits requires estimates and judgments by management. We believe the City’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Management will continue to implement policies and procedures that improve and strengthen internal controls as needed.

Awards and acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Foley, Alabama, for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the twelfth consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility. The City received the Distinguished Budget Award for fiscal year 2025 and the Award for Outstanding Achievement in Popular Annual Financial Reporting for fiscal year 2024. The city has received all three awards for the last five years, also known as GFOA's Triple Crown.

The preparation of this report would not have been possible without the expertise and commitment of the staff of the Financial Services Division, as well as all City Departments who practice fiscal responsibility and collect and maintain financial and historical statistical information throughout the year. We would like to express our appreciation to all City staff that assisted and contributed to the preparation of this report. As public servants, we are fortunate to be led by a supportive and innovative Mayor and City Council who strive to maintain the highest standards of accountability and transparency through financial reporting.

Respectfully submitted,

Michael Thompson



City Administrator

Miranda Bell



Finance Director/Treasurer

The City of Foley, Alabama
ELECTED AND APPOINTED OFFICIALS
Year Ended September 30, 2025

ELECTED OFFICIALS

Mayor	Ralph G. Hellmich
Council Member – District 1/Council President	J. Wayne Trawick
Council Member – District 2	Vera Quaites
Council Member – District 3	Richard Dayton
Council Member – District 4	Cecil R. (Rick) Blackwell
Council Member – District 5/Council President Pro Tempore	Charles J. Ebert, III

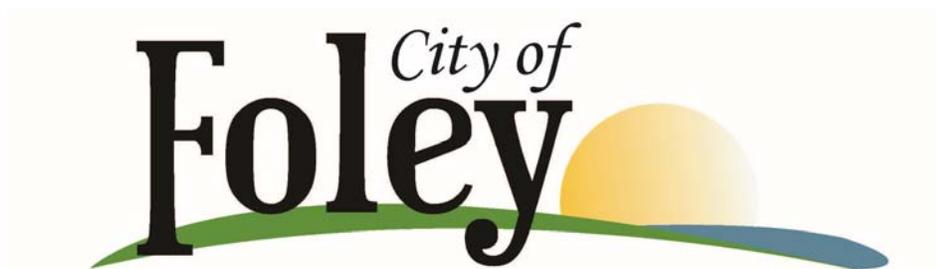
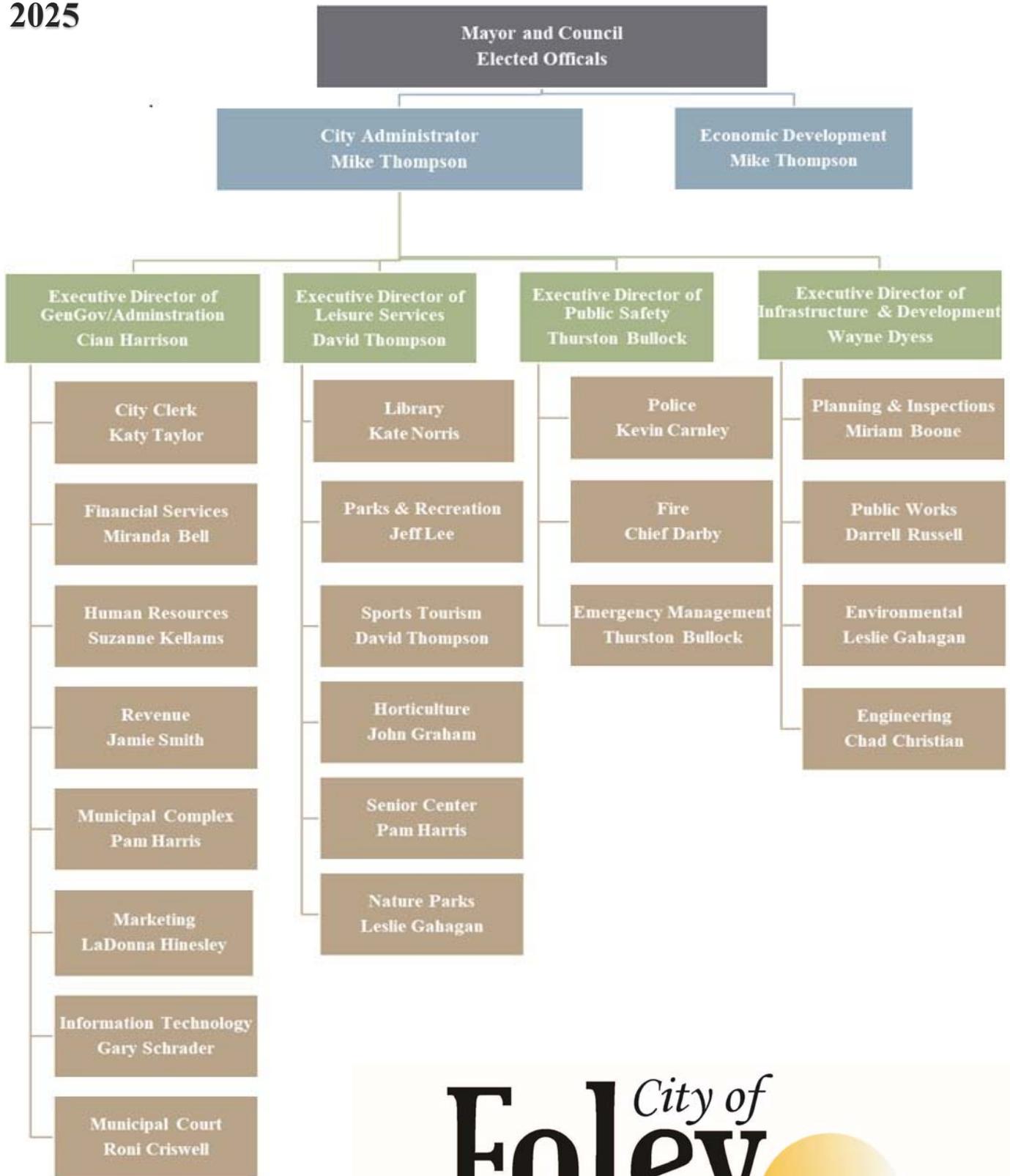
APPOINTED OFFICIALS

City Administrator	Michael Thompson
Executive Director of General Government/Administration	Cian Harrison
Executive Director of Public Safety	Thurston Bullock
Executive Director of Infrastructure & Development	Wayne Dyess
Executive Director of Leisure Services	David Thompson
City Clerk	Kathryn Taylor
Human Resources Director	Suzanne Kellams
Finance Director/Treasurer	Miranda Bell
Fire Chief	Joseph Darby
Police Chief	Kevin Carnley
Planner	Miriam Boutwell
Engineer	Chad Christian
Municipal Judge	Michael Dasinger
Assistant Municipal Judge	Frank Hollon
City Prosecutor	Warren Harbison

City of Foley

Organizational Chart

2025





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Foley
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Foley, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Foley, Alabama (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules related to pension and other post-employment healthcare benefits, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, individual fund budgetary comparison schedules, schedule of construction in progress, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Warren Averett, LLC

Daphne, Alabama
February 16, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Foley, Alabama (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal.

Financial Highlights

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$237,024,743, an increase of \$14,613,891 from the prior year. A detailed explanation of the City's net position can be found in Table 1 of the Management's Discussion and Analysis (MD&A).
- The Statement of Activities shows the Primary Government received taxes and other revenue of \$89,541,360 and had expenses of \$74,927,469.
- The Statement of Revenues, Expenditures and Changes in Fund Balance shows the General fund operating revenues exceeded operating expenditures by \$12,956,570.
- As shown in Table 3, the City's governmental funds reported a combined ending fund balance of \$74,598,356, a decrease in fund balance of \$17,229,524 from the prior year.
- Table 3 also shows the General Fund closed with a fund balance of \$64,303,485 reflecting a decrease of \$5,011,716 for the year.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to that of a private-sector business, and typically consolidate governmental and business-type activities into two columns which, added together, provide the total for the primary government entity.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities such as police, fire, recreation and general administration) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, economic development, and culture and recreation and the business-type activity is a residential and commercial sanitation fund. The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

Governmental fund information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund are considered to be major funds. All other governmental type funds are considered "nonmajor" and are combined into a single, aggregated presentation column on the basic financial statement. Individual fund data for each of these non-major governmental funds can be found in the form of combining and individual fund statements and schedules elsewhere in this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Foley maintains a type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the Sanitation Fund which is an enterprise fund that accounts for all revenue and expenses related to providing both residential and commercial sanitation services. Blended component units are legally separate entities and are discussed further in Note A.1. The Reporting Entity.

Notes to the Financial Statements. The notes to the financial statements are an integral part of the financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents a budgetary comparison schedule for the General Fund as required supplementary information. This comparison presents the originally approved budget, final budget and actual, giving the reader a quick view of revisions and amendments versus actual activity. The budgetary highlights are discussed in more detail later in the MD&A as well as in the Transmittal Letter.

Other Supplementary Information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$237,024,743 at the close of the fiscal year.

TABLE 1
SUMMARY OF STATEMENT OF NET POSITION
As of September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 83,387,386	\$ 99,085,220	\$ 1,068,401	\$ 801,156	\$ 84,455,787	\$ 99,886,376
Capital assets, net	240,012,028	212,423,876	3,059,964	2,856,250	243,071,992	215,280,126
Total assets	323,399,414	311,509,096	4,128,365	3,657,406	327,527,779	315,166,502
Deferred outflows of resources	11,203,935	11,901,288	281,590	276,180	11,485,525	12,177,468
Total assets and deferred outflows of resources	334,603,349	323,410,384	4,409,955	3,933,586	339,013,304	327,343,970
Current and other liabilities	7,951,989	6,373,237	831,095	592,200	8,783,084	6,965,437
Long-term debt	87,654,979	93,301,752	641,911	754,272	88,296,890	94,056,024
Total liabilities	95,606,968	99,674,989	1,473,006	1,346,472	97,079,974	101,021,461
Deferred inflow of resources	4,760,797	1,675,702	147,790	1,420	4,908,587	1,677,122
Total liabilities and deferred inflows of resources	100,367,765	101,350,691	1,620,796	1,347,892	101,988,561	102,698,583
Net position: *						
Net investment in capital assets	177,832,405	157,849,429	3,059,964	2,856,250	180,892,369	160,705,679
Restricted	9,411,559	11,197,037	-	-	9,411,559	11,197,037
Unrestricted	46,991,620	53,013,227	(270,805)	(270,556)	46,720,815	52,742,671
Total net position	\$ 234,235,584	\$ 222,059,693	\$ 2,789,159	\$ 2,585,694	\$ 237,024,743	\$ 224,645,387

* 2024 fiscal year balances are not restated for the impact of GASB 101.

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

A portion of the City's net position is comprised of resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance may be used to meet the government's ongoing obligations to citizens and creditors. The City's overall net position increased \$14,613,891 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

TABLE 2
CHANGES IN NET POSITION
For the years ended September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for service	\$ 19,663,297	\$ 23,546,013	\$ 4,600,594	\$ 4,269,068	\$ 24,263,891	\$ 27,815,081
Operating grants and contributions	943,494	4,259,757	-	-	943,494	4,259,757
Capital grants and contributions	7,194,271	5,048,720	-	-	7,194,271	5,048,720
General revenues						
Property taxes	3,869,582	3,446,472	-	-	3,869,582	3,446,472
Sales and other local taxes	44,975,673	45,477,378	-	-	44,975,673	45,477,378
Investment income (loss)	3,111,415	2,581,441	-	-	3,111,415	2,581,441
Other	5,183,034	4,431,587	-	-	5,183,034	4,431,587
Total Revenues	84,940,766	88,791,368	4,600,594	4,269,068	89,541,360	93,060,436
Expenses						
General government	11,122,261	14,014,941	-	-	11,122,261	14,014,941
Public safety	22,540,547	20,570,783	-	-	22,540,547	20,570,783
Highways and streets	14,393,719	13,355,418	-	-	14,393,719	13,355,418
Culture and recreation	14,731,325	13,714,114	-	-	14,731,325	13,714,114
Economic development	5,790,759	7,885,215	-	-	5,790,759	7,885,215
Interest on long-term debt	1,951,729	2,054,911	-	-	1,951,729	2,054,911
Sanitation Fund	-	-	4,397,129	3,521,075	4,397,129	3,521,075
Total Expenses	70,530,340	71,595,382	4,397,129	3,521,075	74,927,469	75,116,457
Increase (decrease) in net position	14,410,426	17,195,986	203,465	747,993	14,613,891	17,943,979
Beginning net position	222,059,693	204,863,707	2,661,535	1,913,542	224,721,228	206,777,249
Change in accounting principle - implementation of GASB 101	(2,234,535)	-	(75,841)	-	(2,310,376)	-
Ending net position	\$ 234,235,584	\$ 222,059,693	\$ 2,789,159	\$ 2,661,535	\$ 237,024,743	\$ 224,721,228

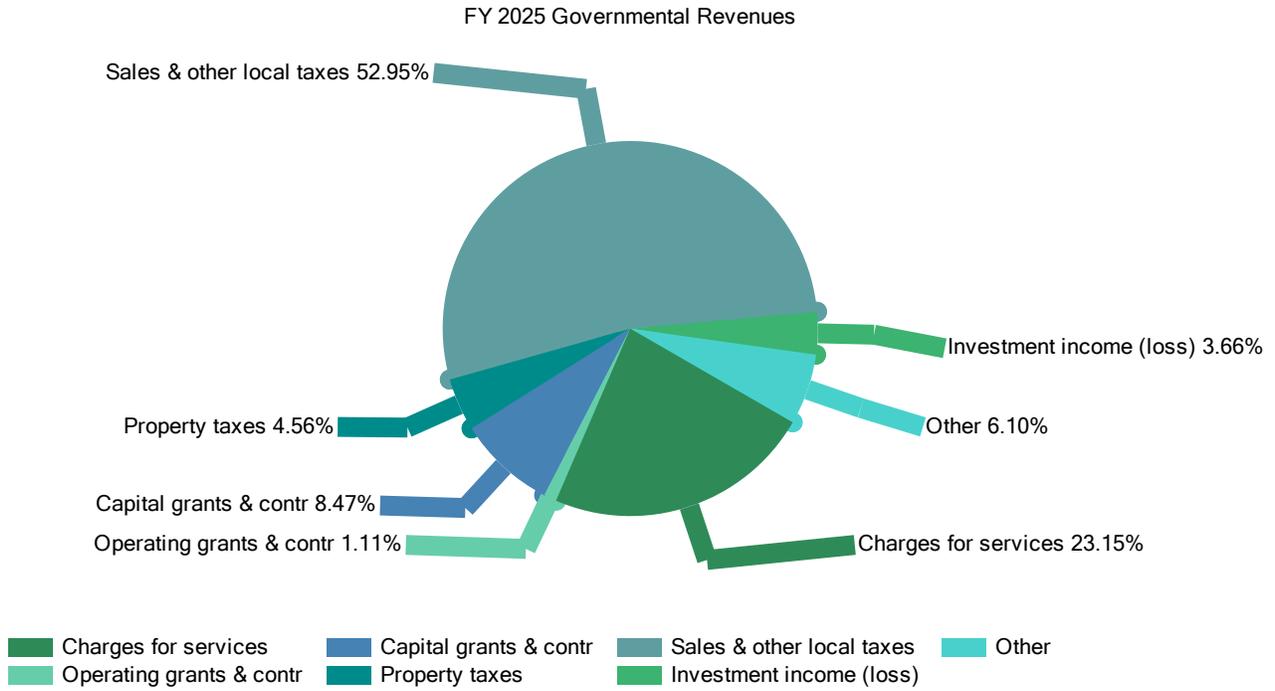
* 2024 fiscal year balances are not restated for the impact of GASB 101.

Governmental Activities. Governmental activities for the current year increased the City's net position by \$14,410,426. Key elements of this change are as follows:

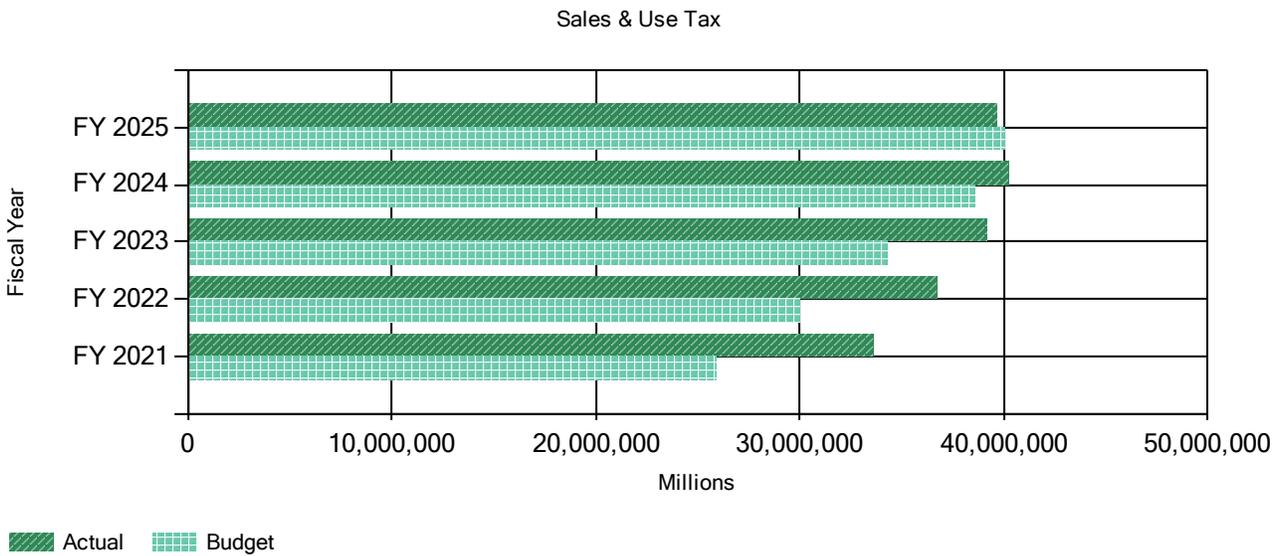
- The City received additional capital grants to help fund ongoing capital projects and purchases.
- There is a reduction in interest on long term debt as a result of fully retiring 2 general obligation bonds.
- Investment income increased by approximately \$530,000
- The City received additional sales proceeds from various sales of property and equipment.

Business-Type Activities. Business type activities increased the City's net position by \$203,465.

Governmental revenues as a percentage of total:



Sales and use tax represent the City's primary source of unrestricted revenue.



Financial Analysis of Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting focuses on accountability rather than profitability and funds are segregated into categories in accordance with laws and regulations or specific limitations.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance represents a government's residual net resources (amount in excess of nonspendable, restricted, committed and assigned) and provides a useful measure of a government's net resources available for spending.

The following two tables present summary information about the City's fund balances:

TABLE 3
CHANGE IN FUND BALANCES
For the Year ended September 30, 2025

Fund	Beginning Fund Balance	Increase (Decrease)	Transfers	Ending Fund Balance
General Fund	\$ 69,315,201	\$ (5,011,716)	\$ -	\$ 64,303,485
Capital Projects Fund	(1,110,120)	195,799	-	(914,321)
USDA Relending Program	12,010,013	-	(12,010,013)	-
Non-Major Funds	11,612,786	(12,413,607)	12,010,013	11,209,192
Total	<u>\$ 91,827,880</u>	<u>\$ (17,229,524)</u>	<u>\$ -</u>	<u>\$ 74,598,356</u>

TABLE 4
FUND BALANCE BY TYPE
For the Year ended September 30, 2025

Fund Balance Type	General Fund	Capital Projects Fund	Non-Major Funds	Total
Nonspendable	\$ 285,551	\$ -	\$ -	\$ 285,551
Restricted	609,320	-	8,802,239	9,411,559
Committed	-	-	2,406,953	2,406,953
Assigned	360,763	-	-	360,763
Unassigned	63,047,851	(914,321)	-	62,133,530
Total Fund Balance	<u>\$ 64,303,485</u>	<u>\$ (914,321)</u>	<u>\$ 11,209,192</u>	<u>\$ 74,598,356</u>

As of September 30th, the City's governmental funds reported combined fund balances of \$74,598,356, a decrease of \$17,229,524 in comparison with the prior year. Of this total, \$62,133,530 represents unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable (not in spendable form), restricted (legally required to be maintained intact), committed (committed for particular purposes), or assigned (assigned for particular purposes). Refer to Note A.11. for additional information on fund balance classifications and constraints.

The General Fund, the chief operating fund of the City, closed with a decrease in fund balance of \$5,011,716. Actual General Fund operations resulted in \$12,956,570 in excess revenue remaining after expenditures. Transfers from other funds generated an additional \$14,865,692, and transfers to other funds of \$33,900,704 were made to service debt, to fund capital improvements, and to help fund operations of other funds. There was \$1,066,726 generated from the sale of capital assets. The net results of all operations resulted in an ending fund balance of \$64,303,485.

The Capital Projects fund experienced an increase of \$195,799 in fund balance. Expenditures totaling \$31,940,705 consisted of capital asset additions and construction work in progress of \$25,819,820, required maintenance to infrastructure of \$5,794,715, and maintenance of culture and recreation assets of \$326,170. Grants and contributions totaling \$4,544,538 were recognized and cash transfers from the General Fund of \$27,591,966 to fund the remaining expenditures were received.

Other Funds realized an aggregate fund balance decrease of \$12,413,607, which is primarily caused by the transfer of bond funds to the General Fund. The PFCFCD realized an increase of \$1,211,185 as a result of user fees that were collected but not paid to the developer this year. The PASFCD realized an increase of \$162,854 as a result of debt service funds paid for next year. There were slight increases in the Jail Corrections Fund and the Event Center Operations Fund of \$28,057 and \$1,251, respectively. A decrease of \$1,272,307 occurred in the Impact Fee Fund as a result of the completion of capital projects. A decrease of \$210,174 occurred in the State Gas Tax Fund as a result of traffic light improvements. The Fire Advalorem Fund realized a decreased of \$145,098 as a result of the purchase of capital equipment. There were slight decreases in the Court Corrections Fund, Multi-Use Funds and the PCEFCD Fund in the amount of \$15,015, \$217, and \$987, respectively. An increase of \$3,261 occurred in the Energy Conservation Bonds Series 2013 Fund. A decrease of \$165,040 occurred in the 2015 GO Warrant Fund as a result of the bond issue being fully retired. The 2019 GO Warrant Fund and the 2021 GO Warrant Fund both realized slight decreases of \$690 and \$674, respectively.

General Fund Budgetary Highlights

Original budget compared to final budget. The original budget for General Fund revenues had a significant decrease of \$1,936,207 for an amended budget of \$70,535,458 a mid-year modification. Actual revenues of \$71,583,522 were over the final budget by \$1,048,064. The positive variance categories totaled \$1,327,362 and are attributed primarily to Property and Advalorem taxes and Franchise Fees. Operating transfers in were originally budgeted at \$8,992,958, were increased \$5,836,804, and closed \$35,930 over the amended budget as a result of the transfer of bond proceeds for certain eligible projects. Sale of capital assets were originally budgeted at \$50,000, were increased by \$993,008 and closed \$23,718 over the amended budget.

The final budgeted expenditures of \$63,454,139 represent a significant increase of \$3,448,352 over the original budget of \$60,005,787 as a result of increases to Economic Development Grants, increase of expenditures related to grants, and additional capital purchases approved during the year. Actual results of \$58,626,952 closed \$4,827,186 under the final budget amount for the following reasons:

- Personnel expenditures closing \$2,385,613 under budget.
- Capital expenditures closing \$899,566 under budget.
- Operational expenditures closing \$1,435,357 under budget.

Budgeted transfers out had an increase of \$3,223,425 and closed \$15,226,023 under budget as a result of capital projects moving slower than expected.

Detailed information on the General Fund Budget can be found in the Required Supplementary Information section of this report.

Capital Assets and Debt Administration

Capital Assets. Capital assets net of depreciation at September 30, 2025, totaled \$240,012,028 for governmental activities and \$3,059,964 for business-type activities. Major capital asset events during the current fiscal year included the following:

- Capital machinery and equipment additions totaling \$4,257,077 in the Governmental Funds and \$1,060,486 in the Business Type Funds.
- Purchase of multiple parcels of land throughout the city.
- Completion of City wide road additions totaling \$8,179,449.
- Completion of additional T-Hangars located at our municipal airport totaling \$1,397,158.
- Completion of citywide drainage improvements totaling \$1,025,619.

- Completion of crosswalk improvements totaling \$216,000.
- Completion of new public restrooms through the city totaling \$1,154,013.

The following table presents the City’s capital assets at year-end:

TABLE 5
CAPITAL ASSETS
For the Year ended September 30, 2025

	Governmental Activities	Business-Type Activities	Total Primary Government
Non-depreciable assets			
Land and rights-of-way	\$ 37,366,395	\$ -	\$ 37,366,395
Construction work in progress	30,804,082	-	30,804,082
Total non-depreciable assets	<u>68,170,477</u>	-	<u>68,170,477</u>
Depreciable assets			
Property improvements	49,089,032	-	49,089,032
Building improvements	49,385,973	-	49,385,973
Machinery and equipment	31,110,148	6,106,113	37,216,261
Infrastructure	151,164,485	-	151,164,485
Right to use-lease equipment	452,804	-	452,804
Right to use-subscriptions	2,736,799	-	2,736,799
Less: Accumulated depreciation	<u>(112,097,690)</u>	<u>(3,046,149)</u>	<u>(115,143,839)</u>
Total depreciable assets	<u>171,841,551</u>	<u>3,059,964</u>	<u>174,901,515</u>
Total capital assets, net of depreciation	<u>\$ 240,012,028</u>	<u>\$ 3,059,964</u>	<u>\$ 243,071,992</u>

Additional information on the City’s capital assets can be found in Note C of this report.

Long-term Debt. As of September 30, 2025, the Primary Government had \$64,326,362 in total outstanding warrants, bonds and loans (net), plus lease liability and SBITA liability.

Under Section 225 of the Constitution of Alabama of 1901, as amended, the present general constitutional debt limit of the City is an amount equal to 20 percent of the assessed value of the taxable property. However, the following, among other types of indebtedness, are not chargeable against general constitutional debt limit under existing law: 1) obligations issued for the purpose of acquiring, providing or constructing schools, water works, or sewers; 2) obligations incurred for street or sidewalk improvements where all or a portion of the costs are to be assessed against property abutting such improvements; 3) under certain conditions, tax anticipation notes; 4) certain lease obligations subject to termination at the end of each fiscal year, without recourse; 5) certain obligations to make contributions towards the debt service of other public entities; 6) and revenue securities issued for the purpose of extending, enlarging or improving water, electric, gas or sewer systems and payable solely from the revenues of one or more of such systems. Amendment No. 772 authorizes the City to use public funds for certain purposes intended to further economic development and exempts such debt from the twenty percent debt limit.

Table 6 provides a computation of the General Constitutional Debt Margin.

TABLE 6
GENERAL CONSTITUTIONAL DEBT MARGIN
For the Year ended September 30, 2025

Assessed Value (1)	\$ 764,255,370
Debt limit (20% of assessed value)	152,851,074
Debt applicable to limit:	
Outstanding debt of the primary government (2)	64,326,362
Less: Exempt Special Lease Obligations	(7,998,451)
Less: Exempt debt pursuant to Section 772	(4,947,236)
Less: Amount set aside for repayment of debt (3)	(688,605)
Total net debt applicable to limit	50,692,070
Legal Debt Margin for Fiscal Year 2025	\$ 102,159,004
Net debt as a percentage of debt limit	33.16%

(1) Assessed Value Source: Baldwin County Revenue Commissioner and Baldwin County Judge of Probate.

(2) Includes: the aggregate principal amount of general obligation warrants totaling \$49,149,165; an Annual Lease Agreement dated April 13, 2016, to fund the Public Facilities Cooperative District Revenue Bonds with a current balance of \$6,376,865; a Lease Purchase Agreement dated May 1, 2013, to fund the 2013 Lease Purchase Certificates of Participation/Qualified Energy Conservation Bonds with a current balance of \$1,621,586; lease liability with a current balance of \$329,424; subscription liability with a current balance of \$1,555,465; a \$911,358 Funding Agreement for the Public Athletic and Sports Facilities Cooperative Districts 2015 Revenue Bonds exempt under Section 772; a \$4,035,878 Funding Agreement for the Public Cultural & Entertainment Facilities Cooperative Districts 2015 Revenue Bonds exempt under Section 772.

(3) Includes amounts set aside for repayment of debt applicable to the City's 20 percent debt limit.

Amendment No. 722 of the Constitution of Alabama authorizes the counties and municipalities within the State to use public funds for certain purposes intended to further economic development. Bonds, warrants, notes and other indebtedness issued pursuant to Amendment No. 772 are (a) not subject to and exempt from the 20 percent general constitutional debt limit for government purposes, and (b) are subject to and chargeable against 50 percent of the assessed value of taxable property.

Table 7 provides a computation of the Special Constitutional Debt Margin.

TABLE 7
SPECIAL CONSTITUTIONAL DEBT MARGIN
For the Year ended September 30, 2025

Assessed Value (1)	\$ 764,255,370
Debt limit (50% of assessed value)	382,127,685
Debt applicable to limit:	
Funding agreement with Public Athletic and Sports Facilities Coop District	911,358
Funding agreement with Public Cultural & Entertainment Facilities Coop District	4,035,878
Less: Amount set aside for repayment of debt (2)	(433,835)
Total net debt applicable to limit	4,513,401
Legal Debt Margin for Fiscal Year 2025	\$ 377,614,284
Net debt as a percentage of debt limit	1.18%

(1) Assessed Value Source: Baldwin County Revenue Commissioner and Baldwin County Judge of Probate.

(2) Includes amounts set aside for repayment of debt applicable to the City's 50 percent debt limit.

Additional information on the City's long-term debt can be found in Note D of this report.

Economic Factors and Next Year's Budgets and Rates

The City relies on taxes (property, sales, lodging, etc.), and fees (license, permits, etc.) for their governmental activities. The analysis of a few of these taxes contained in the Statistical Section serves as a good indicator of economic trends. Certain governmental activities (sanitation, recreational activities, etc.) require the user to pay a related fee or charge associated with the service. It is important to note that although fire protection continues to be provided in both the corporate and jurisdictional limits, the taxes, fees and charges for services in the jurisdictional area are minimal in comparison to the cost to provide such services. The passage of Senate Bill 107 during fiscal year 2022 further reduced the jurisdictional footprint. The level of taxes, fees and charges for services have a direct bearing on the City's ability to annex land into the corporate limits and encourage retail, commercial, residential and industrial development.

The following economic factors currently affect the City and were considered in developing the fiscal year 2026 budget.

- Foley's unemployment rate of 2.3 percent is the same as the state and 0.6 percent lower than the nation.
- The fiscal year 2026 sales tax budget is approximately 2 percent higher than the total fiscal year 2025 collections.
- Grant opportunities are researched throughout the year and can cause grant revenues and related expenses to be under budgeted and amended as grants are awarded.
- General fund expenditures were budgeted \$988,162 more than the fiscal year 2025 projected close which is 1 percent increase.
- Merit increases of 3 to 5 percent are expected to cost \$645,500 and new positions totaling \$752,044 were approved.
- Capital equipment purchases of \$2,725,550 were approved in the General Fund.
- The fiscal year 2026 capital projects expenditures are planned at \$65,521,748 with \$33,248,898 in expected grants and contributions. This leaves an expected general fund transfer of \$32,272,850.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City of Foley's finances. Questions about the report or requests for additional financial information should be addressed to: City of Foley, Finance Director, P. O. Box 1750, Foley, Alabama 36536. This report and other financial information about the City can also be obtained by accessing the City's website at www.cityoffoley.org.

Basic Financial Statements

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City of Foley, Alabama
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 58,140,249	\$ 584,618	\$ 58,724,867
Investments	17,168,766	-	17,168,766
Receivables			
Utility tax equivalents	815,571	217,450	1,033,021
Sales and other local taxes	3,528,456	-	3,528,456
Other	2,611,763	266,333	2,878,096
Lease Receivables	837,030	-	837,030
Inventories	50,797	-	50,797
Prepaid items	234,754	-	234,754
Capital assets			
Non-depreciable	68,170,477	-	68,170,477
Depreciable, net	171,841,551	3,059,964	174,901,515
Total assets	323,399,414	4,128,365	327,527,779
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	6,455,466	281,590	6,737,056
OPEB related deferred outflows	1,669,238	-	1,669,238
Net difference between reacquisition price and net carrying amount of advance refunding	3,079,231	-	3,079,231
Total deferred outflows of resources	11,203,935	281,590	11,485,525
Total assets and deferred outflows of resources	334,603,349	4,409,955	339,013,304
LIABILITIES			
Accounts payable and other current liabilities	7,633,467	128,515	7,761,982
Accrued liabilities	884,066	40,211	924,277
Internal balances	(662,369)	662,369	-
Unearned revenue	96,825	-	96,825
Long-term liabilities:			
Due within one year	7,461,709	83,323	7,545,032
Due in more than one year	62,028,200	75,498	62,103,698
Post-employment health care liability	6,739,731	-	6,739,731
Pension liabilities	11,425,339	483,090	11,908,429
Total liabilities	95,606,968	1,473,006	97,079,974
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	3,436,040	147,790	3,583,830
OPEB related deferred inflows	469,932	-	469,932
Net difference between reacquisition price and net carrying amount of advanced refunding deferred in	17,795	-	17,795
Lease related	837,030	-	837,030
Total deferred inflows of resources	4,760,797	147,790	4,908,587
Total liabilities and deferred inflows of resources	100,367,765	1,620,796	101,988,561
NET POSITION			
Net investment in capital assets	177,832,405	3,059,964	180,892,369
Restricted			
Debt service	2,281,455	-	2,281,455
Police	139,833	-	139,833
Fire	685,746	-	685,746
Court	593,426	-	593,426
Parks and recreation	3,497,224	-	3,497,224
Highways and streets	2,213,875	-	2,213,875
Unrestricted	46,991,620	(270,805)	46,720,815
Total net position	\$ 234,235,584	\$ 2,789,159	\$ 237,024,743

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2025

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 11,122,261	\$ 15,738,620	\$ 301,098	\$ 2,285,934	\$ 7,203,391	\$ -	\$ 7,203,391
Public safety	22,540,547	1,753,186	423,116	871,753	(19,492,492)	-	(19,492,492)
Highways and streets	14,393,719	302,521	-	2,036,584	(12,054,614)	-	(12,054,614)
Culture and recreation	14,731,325	1,868,970	219,280	2,000,000	(10,643,075)	-	(10,643,075)
Economic development	5,790,759	-	-	-	(5,790,759)	-	(5,790,759)
Interest on long-term debt	1,951,729	-	-	-	(1,951,729)	-	(1,951,729)
Total governmental activities	<u>70,530,340</u>	<u>19,663,297</u>	<u>943,494</u>	<u>7,194,271</u>	<u>(42,729,278)</u>	<u>-</u>	<u>(42,729,278)</u>
Business-Type Activities:							
Sanitation	4,397,129	4,600,594	-	-	-	203,465	203,465
Total business-type activities	<u>4,397,129</u>	<u>4,600,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,465</u>	<u>203,465</u>
Total primary government	<u>\$ 74,927,469</u>	<u>\$ 24,263,891</u>	<u>\$ 943,494</u>	<u>\$ 7,194,271</u>	<u>(42,729,278)</u>	<u>203,465</u>	<u>(42,525,813)</u>
General revenues:							
Property taxes					3,869,582	-	3,869,582
Sales and other local taxes					44,975,673	-	44,975,673
Investment income (loss)					3,111,415	-	3,111,415
Other					5,183,034	-	5,183,034
Total general revenues and transfers					<u>57,139,704</u>	<u>-</u>	<u>57,139,704</u>
Change in net position					14,410,426	203,465	14,613,891
Net position - beginning of year, as previously reported					222,059,693	2,661,535	224,721,228
Change in accounting principle - implementation of GASB 101					<u>(2,234,535)</u>	<u>(75,841)</u>	<u>(2,310,376)</u>
Net position - beginning of year, as restated					<u>219,825,158</u>	<u>2,585,694</u>	<u>222,410,852</u>
Net position - end of year					<u>\$ 234,235,584</u>	<u>\$ 2,789,159</u>	<u>\$ 237,024,743</u>

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2025

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 46,693,172	\$ -	\$ 11,447,077	\$ 58,140,249
Investments	17,168,766	-	-	17,168,766
Receivables				
Utility tax equivalents	815,571	-	-	815,571
Property and advalorem tax	283,274	-	3,485	286,759
Sales and other local taxes	3,496,267	-	32,189	3,528,456
Grants	82,392	1,676,636	-	1,759,028
Leases	837,030	-	-	837,030
Other	296,947	-	269,017	565,964
Due from other funds	2,783,050	-	30,416	2,813,466
Inventories	50,797	-	-	50,797
Prepaid items	234,754	-	-	234,754
Total assets	\$ 72,742,020	\$ 1,676,636	\$ 11,782,184	\$ 86,200,840
LIABILITIES				
Accounts payable and other current liabilities	\$ 7,474,264	\$ 30,630	\$ 128,573	\$ 7,633,467
Accrued liabilities	-	884,065	-	884,065
Due to other funds	30,416	1,676,262	444,419	2,151,097
Unearned revenue	96,825	-	-	96,825
Total liabilities	7,601,505	2,590,957	572,992	10,765,454
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow leases	837,030	-	-	837,030
Total deferred inflows of resources	837,030	-	-	837,030
Total liabilities and deferred inflows of resources	8,438,535	2,590,957	572,992	11,602,484
FUND BALANCES				
Nonspendable	285,551	-	-	285,551
Restricted	609,320	-	8,802,239	9,411,559
Committed	-	-	2,406,953	2,406,953
Assigned	360,763	-	-	360,763
Unassigned	63,047,851	(914,321)	-	62,133,530
Total fund balances/deficit	64,303,485	(914,321)	11,209,192	74,598,356
Total liabilities and fund balances	\$ 72,742,020	\$ 1,676,636	\$ 11,782,184	\$ 86,200,840

The accompanying notes are an integral part of these financial statements.

City of Foley Alabama
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2025

Fund balances - total governmental funds		\$ 74,598,356
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	352,109,718	
Less accumulated depreciation	<u>(112,097,690)</u>	240,012,028
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the governmental funds.		
		3,067,193
Deferred inflows of resources related to volunteer firefighter LOSAP are applicable to future periods and therefore are not reported in the governmental funds.		
		(47,756)
Deferred outflows and inflows of resources related to post employment health care cost are applicable to future periods and therefore are not reported in the governmental funds.		
		1,199,306
Deferred outflows and inflows are reported for the net difference between reacquisition price and net carrying amount of advanced refunding.		
		3,061,436
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Warrants and bonds payable, net of deferred premiums and discounts	(62,094,854)	
Lease liability	(359,361)	
Subscription liability	(1,872,148)	
Accrued interest payable	(423,762)	
Health claims payable	(523,909)	
Compensated absences	(3,455,875)	
Post-employment healthcare liability	(7,489,731)	
Net pension liability - ERSA	(11,074,068)	
Net pension liability - Volunteer firefighter LOSAP	(361,271)	<u>(87,654,979)</u>
Net position of governmental activities		<u>\$ 234,235,584</u>

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2025

	General Fund	Capital Projects Fund	Formerly Major Fund USDA Relending Program	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Property and advalorem taxes	\$ 3,505,324	\$ -	\$ -	\$ 364,258	\$ 3,869,582
Sales and other local taxes	44,690,285	-	-	285,388	44,975,673
Licenses and permits	6,163,017	-	-	1,058,476	7,221,493
Intergovernmental	1,497,873	4,514,538	-	-	6,012,411
Charges for services	916,490	-	-	63,799	980,289
Fines and forfeitures	814,070	-	-	49,399	863,469
Franchise fees	10,112,612	-	-	-	10,112,612
Investment income and rents	3,140,414	-	-	456,435	3,596,849
Contributions and donations	64,274	30,000	-	92,347	186,621
Other	679,163	-	-	3,902,968	4,582,131
Total revenues	<u>71,583,522</u>	<u>4,544,538</u>	<u>-</u>	<u>6,273,070</u>	<u>82,401,130</u>
Expenditures					
Current:					
General government	10,355,365	-	-	73,345	10,428,710
Public safety	20,805,009	-	-	15	20,805,024
Highways and streets	5,807,700	5,794,715	-	297,952	11,900,367
Culture and recreation	11,184,170	326,170	-	790,210	12,300,550
Economic development	5,790,759	-	-	-	5,790,759
Capital outlay	4,290,874	25,819,820	-	3,134,762	33,245,456
Debt service:					
Principal	332,916	-	-	3,913,448	4,246,364
Interest	60,159	-	-	1,919,991	1,980,150
Total expenditures	<u>58,626,952</u>	<u>31,940,705</u>	<u>-</u>	<u>10,129,723</u>	<u>100,697,380</u>
Excess (deficiency) of revenues over expenditures	<u>12,956,570</u>	<u>(27,396,167)</u>	<u>-</u>	<u>(3,856,653)</u>	<u>(18,296,250)</u>
Other financing sources (uses)					
Transfers in	14,865,692	27,591,966	-	6,308,738	48,766,396
Transfers out	(33,900,704)	-	-	(14,865,692)	(48,766,396)
Sale of capital assets	1,066,726	-	-	-	1,066,726
Total other financing sources (uses)	<u>(17,968,286)</u>	<u>27,591,966</u>	<u>-</u>	<u>(8,556,954)</u>	<u>1,066,726</u>
Net change in fund balances	<u>(5,011,716)</u>	<u>195,799</u>	<u>-</u>	<u>(12,413,607)</u>	<u>(17,229,524)</u>
Fund balances, beginning of year, as previously reported	69,315,201	(1,110,120)	12,010,013	11,612,786	91,827,880
Change from major fund to nonmajor fund	-	-	(12,010,013)	12,010,013	-
Fund balances, beginning of year, as adjusted	<u>69,315,201</u>	<u>(1,110,120)</u>	<u>-</u>	<u>23,622,799</u>	<u>91,827,880</u>
Fund balances, end of year	<u>\$ 64,303,485</u>	<u>\$ (914,321)</u>	<u>\$ -</u>	<u>\$ 11,209,192</u>	<u>\$ 74,598,356</u>

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

City of Foley, Alabama
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2025

Net change in fund balance - Governmental Funds		\$ (17,229,524)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	33,245,457	
Less current year depreciation/amortization	(7,115,618)	
Loss on disposal of capital assets	<u>(480,421)</u>	25,649,418
Contributions of capital assets are not reported as income in governmental funds.		1,938,734
Current year employer contributions to the pension plan are reported as expenditures in the governmental funds but are reported as deferred outflows in the statement of net position. - ERSA		1,801,029
Current year employer contributions to the pension plan are reported as expenditures in the governmental funds but are reported as deferred outflows in the statement of net position. - LOSAP		10,788
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		4,246,364
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of current year bond discount/premium	168,982	
Amortization of current year deferred outflow/advanced refunding	(209,494)	
Amortization of current year deferred inflow/advanced refunding	3,559	
Changes in accrued interest payable	28,420	
Changes in self-insured health plan unpaid claims	(148,791)	
Changes in compensated absences	<u>77,005</u>	(80,319)
Post Employment Health Care expense in the statement of activities takes into consideration the change in the liability and related deferred inflows and outflows - OPEB.		(27,294)
Pension expense in the statement of activities takes into consideration the change in the net pension liability and related deferred inflows and outflows - ERSA.		(1,945,644)
Pension expense in the statement of activities takes into consideration that change in the net pension liability and related deferred inflows and outflows - Volunteer firefighter - LOSAP		<u>46,874</u>
Change in net position of governmental activities		<u><u>\$ 14,410,426</u></u>

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2025

	Sanitation Fund
ASSETS	
Current assets	
Cash	\$ 584,618
Receivables	483,783
Total current assets	1,068,401
Capital assets	
Depreciable assets, net	3,059,964
Total capital assets	3,059,964
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	281,590
Total deferred outflows of resources	281,590
Total assets and deferred outflows of resources	\$ 4,409,955
LIABILITIES	
Current liabilities	
Accounts payable	\$ 168,726
Due to other funds	662,369
Current portion of long term liabilities	83,323
Total current liabilities	914,418
Long-term liabilities	
Pension liabilities	483,090
Due in more than one year	75,498
Total long-term liabilities	558,588
Total liabilities	1,473,006
DEFERRED INFLOWS OF RESOURCES	
Pensions related	147,790
Total deferred inflows of resources	147,790
Total liabilities and deferred inflows of resources	1,620,796
NET POSITION	
Net investment in capital assets	3,059,964
Unrestricted (deficit)	(270,805)
Total net position	2,789,159
Total liabilities and net position	\$ 4,409,955

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the fiscal year ended September 30, 2025

	Sanitation Fund
Operating revenues:	
Charges for services	\$ 4,600,594
Total operating revenues	4,600,594
Operating expenses:	
Salaries and benefits	1,886,136
Cost of sales and services	747,444
Insurance	68,827
Utilities	5,035
Maintenance	322,636
Supplies, small tools, and other	510,279
Depreciation	856,772
Total operating expenses	4,397,129
Change in net position	203,465
Net position, beginning of year, as previously reported	2,661,535
Change in accounting principle - implementation of GASB 101	(75,841)
Net position, beginning of year, as restated	2,585,694
Net position, end of year	\$ 2,789,159

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the fiscal year ended September 30, 2025

	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and other operating activities	\$ 4,546,048
Payments to suppliers	(1,623,748)
Payments to employees for salaries and benefits	(1,857,538)
Net cash provided (used) by operating activities	1,064,762
CASH FLOWS FROM NON-CAPITAL FINANCING	
Proceeds from interfund borrowing	(2,129,170)
Repayment of interfund borrowing	2,337,593
Net cash provided by noncapital financing activities	208,423
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,060,486)
Net cash used in capital and related financing activities	(1,060,486)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	212,699
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	371,919
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 584,618
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income (loss)	203,465
Adjustments to reconcile operating income to net cash used by operating activities	
Depreciation	856,772
Decrease (increase) in assets	
Receivables	(54,546)
Pension related deferred outflows	(5,410)
Increase (decrease) in liabilities	
Accounts payable	30,472
Pension related liability	(135,510)
Compensated absences liability	3,339
Health claims payable	19,810
Pension related deferred inflows	146,370
Net cash used by operating activities	\$ 1,064,762

The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies.

1. The Reporting Entity

The City of Foley is an Alabama municipal corporation (government) governed by an elected mayor and five-member council. As required by GASB, the accompanying financial statements present the government and its component units, (1) entities for which the government is considered financially accountable or (2) the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organizations governing body and are able to either impose their will on that organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended component units are, in substance, part of the primary government's operations even though they are legally separate entities. Component units are included in the reporting entity financial statement using the blending method in any of these circumstances: a). The component unit's governing body is substantively the same as the governing body of the primary government *and* there is a financial benefit or burden relationship *or* management of the primary government has operational responsibility for the component unit, b). The component unit provides services entirely, or almost entirely, to the primary government *or* exclusively, or almost exclusively, benefits the primary government, c). The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government, d). The component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, with certain exceptions. Otherwise, the organization is a discretely presented component unit and its data is reported together with, but separately from the data of the City in the government-wide financial statements. The City has no discretely presented component units to report.

Blended Component Units. The City of Foley Public Facilities Cooperative District (PFCD) was incorporated in 2009 as a capital improvement district under the provisions of Chapter 99B of Title 11, Code of Alabama, 1975, and the City appoints a voting majority of its board members. The purpose of the PFCD is to acquire, construct and install various capital improvements within the City and to aid the City in its economic development efforts through its ability to finance eligible projects under the authority of Chapter 99B. The District issued approximately \$23.3 million of bonds and transferred the net proceeds to the City in exchange for various capital projects and properties from the City, including City Hall, the Public Library, street and drainage projects, etc. Simultaneous with the transfer of assets to the District, the City leased-back the subject properties and projects from the District under an annual lease agreement requiring annual payments equal to 100 percent of the debt service on the District's bonds. The annual lease renews automatically each year, through the year ending September 30, 2045 (final maturity of the bonds), unless the City adopts a resolution expressing its intent to not renew. Upon final maturity of the bonds, the properties revert back to the City.

The Public Athletic and Sports Facilities Cooperative District (PASFCD) and the Public Cultural and Entertainment Facilities Cooperative District (PCEFCD) were formed in 2013 under the provisions of Chapter 99B of Title 11, Code of Alabama, 1975. The City appoints a voting majority of their board members and has the ability to significantly influence their activities. The districts are presented as blended component units (special revenue funds) because their debts are expected to be repaid almost entirely with City resources which will experience a positive financial impact from tourism created by these facilities. The facilities of both districts are managed and operated by City staff under a lease agreement.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Other Entities. Excluded from the financial statements are the following boards, for which a lack of influence, control and dependency exist: the Utilities Board of the City of Foley, the Medical Clinic Board, and the Industrial Development Board. These boards are governed by their own boards of directors, prepare and adopt annual operating budgets which are not influenced by the City, have the authority to issue debt securities which are not an obligation of the City (nor secured by City revenues), and must self-fund any operating deficits which may occur.

2. Government-wide and fund financial statements

Financial reporting requirements include a management’s discussion and analysis, basic financial statements consisting of government-wide and fund financial statements, required supplementary information, and other supplementary information.

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide statement of net position is presented on a consolidated basis on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (general government, public safety, highways and streets, etc.) that are otherwise being supported by general revenues (property taxes, sales taxes, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, which must be directly associated with the function (general government, public safety, highways and streets, etc.). Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants and contributions column includes operating specific and discretionary (either operating or capital) grants while the capital grants and contributions column reflects capital-specific grants. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

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

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

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and are recognized as revenue of the current fiscal period. Only the portion of special assessments collectible within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The following two broad classifications are used to categorize the fund types used by the City:

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

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for financial resources for the acquisition or construction of major capital items.

Proprietary Funds. Proprietary funds focus on the determination of net income, changes in net position, financial position, and cash flows. The City's proprietary funds are enterprise funds, as fees are charged to external users for services. The following is a description of the City's major proprietary fund:

The *Sanitation Fund* was created to account for revenues and cost related to the provision of residential and commercial sanitation services in the City.

Additionally, the City reports the following fund types:

Governmental funds:

Special Revenue Funds: These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds: These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt.

Capital Project Funds: Capital project funds account for financial resources designated to construct or acquire capital assets and major capital improvements.

4. Property Tax Revenue Recognition

Ad valorem taxes (based on assessments of property values by the Baldwin County Tax Assessor) are levied by the City and collected by the Baldwin County Tax Collector and remitted to the City on a monthly basis. The County's property tax calendar requires the Tax Assessor to assess and attach taxes as enforceable liens on property as of September 30th. Taxes are due October 1st through December 31st. Property taxes not paid by January 1st are considered delinquent. All amounts remitted to the City within the bill paying period are included in revenue. Taxes collected within the fiscal year but remitted to the City after the fiscal year-end are accrued in both the government-wide and fund financial statements.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

5. Cash and Investments

Cash includes cash on hand, demand deposits as well as all highly liquid investments. Certificates of deposits are typically issued for periods of less than one year. State statutes authorize the City to invest in deposit accounts and certificates of deposits with banks, in direct obligations of the United States Treasury Department, and obligations of certain other federal agencies. Investments are stated at fair value. The unrealized gain or loss on investments is reflected in investment income.

6. Prepaid Items

Payments to vendors for services that will benefit periods beyond September 30th are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

7. Inventories

Inventories consist of materials and supplies held for consumption and miscellaneous merchandise items that are being held for resale. Inventory of materials and supplies is stated at cost and inventory held for resale is reported at lower of cost or market.

8. Capital Assets

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as those assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of five years. The threshold for easements is \$100,000.

Expenditures for capital assets acquired or constructed are reported in the governmental fund that the acquisition or construction is planned. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Donated capital assets are valued at their estimated acquisition value on the date donated. Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the City. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40 years
Improvements (Building and Property)	7 - 30 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks, etc.)	10 - 50 years
Infrastructure (Sewer)	75 years
Machinery and equipment	5 - 20 years
Automobiles and equipment	5 - 15 years
Office equipment	5 - 10 years
Subscription-based information technology arrangements	Term of the lease
Right to use leases	Term of the lease

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

9. Compensated Absences

Effective October 1, 2024, the City adopted the provisions of GASB Statement No. 101, Compensated Absences (GASBS 101). This pronouncement establishes a unified model for recognition and measurement of liabilities associated with compensated absences, including vacation, sick leave, and other paid time off. GASBS 101 is expected to result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to different types of leave offered by governmental employers.

As part of the implementation process, the City has evaluated whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means by assessing relevant factors, such as the City's employment policies related to compensated absences; historical information about the use, payment, or forfeiture of compensated absences; and known information that would indicate that historical information may not be representative of future trends or patterns. GASBS 101 was retroactively implemented, which resulted in a restatement of the City's beginning net position. The effects of the restatement on beginning net position for each reporting unit can be found in Note R.

10. Pension Plan

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

The City follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements create disclosure and reporting requirements that may or may not be consistent with the basis used for funding the plan. As a result, a net pension liability equal to the difference between the actuarial present value of projected benefits to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position was recognized. Additionally, pension expense and deferred outflows of resources and deferred inflows of resources were recognized from changes in the components of the net pension liability. See note L for more information.

11. Net Position and Fund Balances

In the government-wide and enterprise fund financial statements, the difference between the City's total assets and total liabilities represents net position. Net position is displayed as three components:

- *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* – Consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments.
- *Unrestricted net position* – Represents the net position available for future operations.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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

- *Non-spendable fund balance*—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted fund balance*—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- *Committed fund balance*—Amounts that can be used only for the specific purposes determined by an Ordinance, the City’s highest level of decision-making authority (the City Council). City Council must adopt an Ordinance to modify or rescind committed fund balances.
- *Assigned fund balance*—Amounts that are constrained by the City’s expressed intent to use resources for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has the authority to assign amounts intended to be used for specific purposes.
- *Unassigned fund balance*—All amounts not included in other spendable classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In all other funds, unassigned is limited to negative residual fund balance (if any).

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the policy of the City is to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts be reduced first, followed by assigned amounts and then unassigned amounts.

During the fiscal year 2025, budget cycle, the City calculated a minimum unrestricted fund balance (the total of committed, assigned and unassigned components of fund balance) in the general fund equal to 35 percent of the originally budgeted operational expenditures and debt service obligations, less one time expenditures greater than \$500,000 and expenditures that are offset by transfers in or other financing sources, as a safeguard against financial demands caused by major natural disasters or other unforeseen events. The current year budgeted amount subject to the calculation was \$60,899,305 resulting in a 35 percent fund balance goal of \$21,314,757 the actual ending unrestricted fund balance of \$63,408,614 exceeds the goal by \$42,093,857.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from these estimates.

13. Recently Issued Accounting Principles

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued to improve key components of the financial reporting model and to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This standard is effective for fiscal year 2026 but the City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued to provide detailed information about certain types of capital assets. This standard is effective for fiscal year 2026 but the City is currently evaluating the impact this standard may have on its financial statements.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE B. CASH AND INVESTMENTS

Cash

The City manages custodial credit risk, which is the risk that in the event of a bank failure deposits may not be returned, by approving, by resolution, all banks or other financial institutions utilized as depositories for the City's public funds. Prior to approval, each proposed depository must provide evidence of its designation by the Alabama State Treasurer as a qualified public depository (QPD) under the Security of Alabama Funds Enhancement Act (SAFE). The City Treasurer or their designee verify, annually at a minimum, that banks are continuing to participate in the SAFE Program. Under this mandatory program, each QPD is required to hold collateral for all of its public deposits on a pooled basis in a custody account established for the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim would be filed with the State Treasurer who would use the SAFE pool collateral or other means to reimburse the loss. In certain circumstances, deposits are covered by the Federal Deposit Insurance Corporation (FDIC) or otherwise invested or collateralized.

At September 30, 2025, the Primary Government's reported amount of qualified deposits were \$58,135,696. Public fund deposits held by QPD's totaled \$55,728,341, with actual bank balances of \$56,515,959, and consisted entirely of deposits with financial institutions in checking, money market accounts, and certificates of deposit. The amount reported and on deposit that was 100 percent federally invested by Bond Trustees in debt service reserve accounts was \$2,407,356. The City of Foley Sanitation Fund, a proprietary fund which qualifies for the public funds SAFE Program, has deposits held by QPD's totaling \$584,618, with actual bank balances of \$582,998.

Investments

The City's investments are restricted by State statutes 11-81-19 and 11-81-21 generally to investments in bonds, notes, certificates of indebtedness, treasury bills, securities guaranteed by the full faith and credit of the United States of America, government backed intermediate term mutual funds, interest bearing savings accounts, interest bearing certificates of deposit, and interest bearing time deposits.

The City held an investment account for the volunteer fire department LOSAP benefit payments with a balance of \$357,736 of which Mutual Life Insurance Company guarantees principal.

As of September 30, 2025, all funds are held in a Government Money Market Mutual Fund.

Fair Value of Financial Instruments

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB Statement No. 72), established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

As of September 30, 2025, all funds are valued at Level 1.

The following is a description of the valuation methodologies used for assets measured at fair value.

US Treasury, US Government Mortgage Backed Securities, Federal Agency Securities, Repurchase Agreements and Certificates of Deposit are valued based on market transactions involving similar assets traded in active markets.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes these valuation methods are appropriate and consistent, the use of different methods or assumptions to determine the fair value of a certain financial instrument could result in a different fair value measurement at the reporting date.

Credit Risk and Concentration of Credit Risk

The City invests public funds not required for immediate day-to-day operations in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, and conforms to all state statutes and City Council resolutions governing the investment of public funds. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

As of September 30, 2025, the City's investments in money market accounts are under the SAFE program. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the City's name. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer due to the failure of a security lender or backer. Such risks are mitigated through the City's investment practices as follows.

The City minimizes credit risk by limiting investments to the safest types of securities and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. The risk that the fair value of securities in the portfolio will fall due to changes in general interest rates are minimized by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities.

To minimize the concentration of credit risk the investments shall be diversified by; limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); limiting investment in securities that have higher credit risks; investing in securities with varying maturities; and by continuously investing a portion of the portfolio in readily available funds such as interest-bearing demand deposits to ensure that appropriate liquidity is maintained to meet ongoing obligations.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is more restrictive.

NOTE C. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2025:

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 36,326,064	\$ 1,269,968	\$ (229,637)	\$ -	\$ 37,366,395
Construction in progress	23,291,827	27,591,250	(14,598)	(20,064,397)	30,804,082
Total capital assets not being depreciated	<u>59,617,891</u>	<u>28,861,218</u>	<u>(244,235)</u>	<u>(20,064,397)</u>	<u>68,170,477</u>
Capital assets being depreciated:					
Property improvements	42,418,634	348,097	(49,473)	6,371,774	49,089,032
Building improvements	47,213,704	155,540	(142,014)	2,158,743	49,385,973
Machinery & equipment	27,425,371	4,257,077	(1,302,613)	730,313	31,110,148
Infrastructure	138,798,659	1,562,259	-	10,803,567	151,164,485
Right to use-lease equipment	452,804	-	-	-	452,804
Right to use-IT Subscriptions	2,736,799	-	-	-	2,736,799
Total capital assets being depreciated	<u>259,045,971</u>	<u>6,322,973</u>	<u>(1,494,100)</u>	<u>20,064,397</u>	<u>283,939,241</u>
Less accumulated depreciation:					
Property improvements	(14,953,591)	(1,492,913)	49,472	-	(16,397,032)
Building improvements	(15,549,868)	(1,311,877)	98,281	-	(16,763,464)
Machinery & equipment	(17,152,509)	(2,216,721)	1,110,161	-	(18,259,069)
Infrastructure	(58,159,356)	(1,741,502)	-	-	(59,900,858)
Right to use-lease equipment	(57,280)	(26,702)	-	-	(83,982)
Right to use-IT Subscriptions	(367,382)	(325,903)	-	-	(693,285)
Total accumulated depreciation	<u>(106,239,986)</u>	<u>(7,115,618)</u>	<u>1,257,914</u>	<u>-</u>	<u>(112,097,690)</u>
Total capital assets being depreciated, net	<u>152,805,985</u>	<u>(792,645)</u>	<u>(236,186)</u>	<u>20,064,397</u>	<u>171,841,551</u>
Governmental activities, net	<u>\$ 212,423,876</u>	<u>\$ 28,068,573</u>	<u>\$ (480,421)</u>	<u>\$ -</u>	<u>\$ 240,012,028</u>
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Sanitation Fund					
Capital assets being depreciated:					
Moveable equipment	\$ 5,045,627	\$ 1,060,486	\$ -	\$ -	\$ 6,106,113
Total capital assets being depreciated	<u>5,045,627</u>	<u>1,060,486</u>	<u>-</u>	<u>-</u>	<u>6,106,113</u>
Less accumulated depreciation:					
Moveable equipment	(2,189,377)	(856,772)	-	-	(3,046,149)
Total accumulated depreciation	<u>(2,189,377)</u>	<u>(856,772)</u>	<u>-</u>	<u>-</u>	<u>(3,046,149)</u>
Total capital assets being depreciated, net	<u>2,856,250</u>	<u>203,714</u>	<u>-</u>	<u>-</u>	<u>3,059,964</u>
Sanitation Fund Capital Assets, net	<u>\$ 2,856,250</u>	<u>\$ 203,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,059,964</u>

Depreciation expense was charged to governmental and business-type activities as follows:

Governmental activities	
General Government	\$ 590,197
Public Safety	1,695,763
Highways & Streets	2,476,081
Culture-Recreation	2,353,577
Total depreciation expense - governmental activities	<u>\$ 7,115,618</u>
Business-type activities	
Sanitation Fund	\$ 856,772
Total depreciation expense - business-type activities	<u>\$ 856,772</u>

NOTE D. LONG-TERM DEBT

The City's outstanding debt and obligations at year end are as follows:

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

General Obligation Warrants & Special Revenue Bonds

The City's General Obligation Warrants and Special Revenue Bonds contain a provision that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

General Obligation Warrants, Series 2015. In 2015, the City issued \$3,440,000 Series 2015 General Obligation Warrants to assist the Public Athletic and Sports Facilities Cooperative District in funding a 16 multi-use field complex with amenities. This bond was retired this fiscal year.

General Obligation Warrants, Series 2019. On September 20, 2019, the City issued \$4,905,000 General Obligation Warrants, Series 2019, with rates ranging from 4 percent to 5 percent, to advance refund \$655,000 of outstanding City of Foley Series 2009 Warrants with rates ranging from 2 percent to 4.25 percent, and \$5,475,000 of outstanding PFCFCD Series 2009 Bonds with rates ranging from 1 percent to 4 percent.

General Obligation Warrants, Series 2021-A. On March 4, 2021, the City issued \$10,080,000 General Obligation Warrants, Series 2021 A, with rates ranging from 0.22 percent to 2.83 percent, to advance refund \$8,375,000 of outstanding PCEFCFCD Series 2015 Revenue Bonds with rates ranging from 3 percent to 5 percent.

General Obligation Warrants, Series 2021-B. On July 29, 2021, the City issued \$22,855,000 General Obligation Warrants, Series 2021 B, with rates ranging from 2 percent to 2.7 percent, to advance refund \$8,420,000 of outstanding City of Foley Series 2014 Warrants with rates ranging from 3 percent to 5 percent, and \$12,025,000 of outstanding PASFCFCD Series 2015 Revenue Bonds with rates ranging from 3.4 percent to 4 percent.

Public Facilities Cooperative District Revenue Bonds, Series 2016. In 2016, the City of Foley Public Facilities Cooperative District (a blended component unit of the City) issued \$9,165,000 of Series 2016 Revenue Bonds with interest rates ranging from 1 percent to 4 percent in order to advance refund \$8,830,000 of outstanding Series 2009 Revenue Bonds with rates ranging from 4 percent to 5 percent. The Bonds are special obligations of the District payable solely from revenues derived by the District from facilities financed by the proceeds of the Bonds (the "Project"), including without limitation payments to be made under a Lease Agreement by the District to the City with respect to the Project. The Lease Agreement provides that (i) for each year in which the Lease Agreement is in effect, the City shall pay rentals for the account of the District at such times and in such amounts as shall be sufficient to pay the principal of and interest on the Bonds when due and any amounts required to be paid into the reserve fund for the Bonds, (ii) the obligations of the City under the Lease Agreement shall be general obligations of the City, and (iii) the City may terminate the Lease Agreement as of September 30 of any year without penalty, and without acceleration or advancement of maturity or due date of any principal of or interest on the Bonds or amount payable under the Lease Agreement, and without recourse against the City for the payment of any amount which would otherwise become due under the Lease Agreement in any year subsequent to such termination of the Lease Agreement. The Bonds and the obligations of the City under the Lease Agreement are not chargeable against the constitutional debt limit of the City.

Public Athletic and Sports Facilities Cooperative District, Revenue Bonds Series 2015. In 2015, the Public Athletic & Sports Facilities Cooperative District (a blended component unit of the City) issued \$13,000,000 in revenue bonds. The Bonds are limited obligations of the District payable solely from and secured by a pledge of (i) the moneys payable by the City of Foley, Alabama (the "City") pursuant to the Funding Agreement, dated as of May 1, 2015, by the City, the District and the Trustee; (ii) certain revenues derived by the District for such purpose from the Project; and (iii) moneys on deposit in the funds created under the Indenture. The Funding Agreement is a full faith and credit general obligation of the City and will provide for payments by the City on dates and in amounts sufficient to provide for the payment of the debt service on the bonds when due for payment. The City refunded \$12,025,000 of these warrants in fiscal year 2021 with General Obligation Warrant, Series 2021 B.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Public Cultural and Entertainment Facilities Cooperative District, Revenue Bonds Series 2015. In December 2015, the Public Cultural & Entertainment Facilities Cooperative District (a blended component unit of the City) issued \$15,285,000 in revenue bonds. The Bonds are limited obligations of the District payable solely from and secured by a pledge of (i) the moneys payable by the City of Foley, Alabama (the "City") pursuant to the Funding Agreement, dated as of December 1, 2015, by the City, the District and the Trustee; (ii) certain revenues derived by the District for such purpose from the Project; and (iii) moneys on deposit in the funds created under the Indenture. The Funding Agreement is a full faith and credit general obligation of the City and will provide for payments by the City on dates and in amounts sufficient to provide for the payment of the debt service on the bonds when due for payment. The City refunded \$8,375,000 of these warrants in fiscal year 2021 with General Obligation Warrant, Series 2021 A.

Direct Borrowings & Direct Placement Debt

Lease Purchase Certificates of Participation, Series 2013 (Qualified Energy Conservation Bond-Direct Pay). In 2013, the City entered into a contract with an Energy Service Company (ESCO) to administer a guaranteed savings energy efficiency project to be funded through the Qualified Energy Conservation Bond (QECB) process, a low-cost federal loan program administered by the State. The bonds are in the form of \$2,975,000 federally taxable certificates of participation and are payable in accordance with an Annual Appropriation Lease Agreement, of which the rental payments constitute a full faith and credit general obligation of the City. The Lease Purchase Agreement provides that the City may determine not to appropriate funds necessary to make such rental payments, or any other payments under the agreement, in any fiscal year and thereby terminate its obligations from and after such fiscal year, with no recourse to the City thereafter. The City has no legal obligation to appropriate funds under the Lease Purchase Agreement in any year. If the City does not make the annual lease appropriation, the escrow agent will not have sufficient funds to pay the principal and interest on the certificates and the lease agreement will be canceled. In the event of the cancellation lease agreement, the escrow agent has the right to repossess and remove the equipment from its location and sell, lease or otherwise dispose of such equipment.

Note Payable. In 2021, the City entered in a contract with AXON Enterprise, Inc. for tasers and body cameras used in the Jail. This five year note bears a 6 percent interest rate.

General Obligation Warrants, Series 2022, On December 15, 2022, the City entered into a \$8,000,000 of Series 2022 General Obligation warrants through United Bank. These bonds were issued for the construction of general purpose municipal building facilities and a new public library. These funds are eligible for the USDA State Community Program.

General Obligation Warrants, Series 2023, On February 15, 2023, the City entered into a \$10,000,000 of Series 2023 General Obligation warrants through United Bank. These bonds were issued for the construction of general purpose municipal building facilities and a new public library. These funds are eligible for the USDA State Community Program.

The warrants, bonds and notes payable as of September 30, 2025, were as follows:

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Governmental Activities

\$4,905,000 Series 2019, General Obligation Warrants, due in annual installments from \$45,000 to \$1,210,000 plus semi-annual interest varying from 4% to 5%; final maturity in 2030.	\$ 1,350,000
\$10,080,000 Series 2021A, General Obligation Warrants, due in annual installments from \$55,000 to \$850,000 plus semi-annual interest varying from 0.22% to 2.83%; final maturity in 2045.	9,740,000
\$22,855,000 Series 2021B, General Obligation Warrants, due in annual installments from \$200,000 to \$1,450,000 plus semi-annual interest varying from 2% to 2.7%; final maturity in 2045.	21,385,000
\$9,165,000 Public Facilities Cooperative District Series 2016 Revenue Bonds; due in annual installments from \$60,000 to \$1,540,000 plus semi-annual interest varying from 2% to 4%; final maturity in 2030.	6,115,000
\$13,000,000 Public Athletic & Sports Facilities Cooperative District Series 2015 Revenue Bonds, due in annual installments from \$60,000 to \$910,000 plus semi-annual interest varying from 3% to 4%; final maturity in 2045.	915,000
\$15,285,000 Public Cultural & Entertainment Facilities Cooperative District Series 2015 Revenue Bonds, due in annual installments from \$305,000 to \$875,000 plus semi-annual interest varying from 2% to 5%; final maturity in 2045.	3,825,000
\$2,975,000 Series 2013, Qualified Energy Conservation Bond; due in semi-annual installments from \$75,000 to \$235,000; plus semi-annual interest varying from 1.2% to 4.2%; final maturity in 2033.	1,645,000
\$8,000,000 Series 2022, General Obligation Warrants, due in monthly installments of \$48,041 which includes interest with rates from 3.840% to 4.378%; with final maturity in December 2042.	7,226,793
\$10,000,000 Series 2023, General Obligation Warrants, due in monthly installments of \$57,316 which includes interest with rates from 3.320% to 4.375%; with final maturity in February 2043.	9,046,908
Total Governmental Activities	\$ 61,248,701

The principal maturities and related interest requirements for the warrants, bonds, and notes payable for the next five fiscal years and thereafter are as follows:

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Warrants, Bonds and Notes Payable:

Year Ending September 30,	Governmental Activities					
	General Obligation Warrants & Special Revenue Bonds			Notes from Direct Borrowing and Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 3,155,000	\$ 1,158,395	\$ 4,313,395	\$ 864,272	\$ 636,927	\$ 1,501,199
2027	3,245,000	1,078,406	4,323,406	899,470	604,142	1,503,612
2028	3,335,000	967,830	4,302,830	929,131	571,691	1,500,822
2029	3,430,000	867,395	4,297,395	967,628	534,695	1,502,323
2030	3,540,000	763,541	4,303,541	1,005,708	497,689	1,503,397
2031 to 2035	9,825,000	2,795,504	12,620,504	5,120,983	1,920,187	7,041,170
2036 to 2040	8,590,000	1,729,305	10,319,305	5,310,030	1,011,397	6,321,427
2041 to 2045	8,210,000	5,674,942	13,884,942	2,821,479	137,962	2,959,441
	<u>\$ 43,330,000</u>	<u>\$ 15,035,318</u>	<u>\$ 58,365,318</u>	<u>\$ 17,918,701</u>	<u>\$ 5,914,690</u>	<u>\$ 23,833,391</u>

Changes in long-term debt for the year were as follows:

	Principal Balance 10/1/24	Additions	Reductions	Principal Balance 9/30/25	Due Within One Year
Governmental Activities					
General Obligation Warrants & Special Revenue Bonds					
2015 General Obligation Warrants	\$ 370,000	\$ -	\$ (370,000)	\$ -	\$ -
2019 General Obligation Warrants	1,400,000	-	(50,000)	1,350,000	45,000
2021A General Obligation Warrants	9,835,000	-	(95,000)	9,740,000	95,000
2021B General Obligation Warrants	22,170,000	-	(785,000)	21,385,000	800,000
2016 PFCFD Revenue Bonds	7,430,000	-	(1,315,000)	6,115,000	1,345,000
2015 PASFCFD Revenue Bond Series	975,000	-	(60,000)	915,000	450,000
2015 PCEFCFD Revenue Bond Series	4,225,000	-	(400,000)	3,825,000	420,000
Bond premiums	1,046,940	-	(173,730)	873,210	-
Bond discounts	(31,805)	-	4,748	(27,057)	-
Direct Borrowing & Direct Placements					
2013 Qualified Energy Conservation Bond	1,815,000	-	(170,000)	1,645,000	175,000
2022 General Obligation Warrants-USDA	7,513,514	-	(286,721)	7,226,793	300,234
2023 General Obligation Warrants-USDA	9,420,798	-	(373,890)	9,046,908	389,038
Note Payable	7,837	-	(7,837)	-	-
Total warrants, bonds, and loans, net	<u>66,177,284</u>	<u>-</u>	<u>(4,082,430)</u>	<u>62,094,854</u>	<u>4,019,272</u>
Lease liability	380,963	-	(21,602)	359,361	35,732
Subscription liability	2,183,464	-	(311,316)	1,872,148	316,684
Interest	452,182	1,891,167	(1,919,587)	423,762	423,762
Health claims payable	375,118	7,327,549	(7,178,758)	523,909	523,909
Compensated absences	3,532,880	-	(77,005)	3,455,875	1,382,350
Post employment health care liability	7,887,206	-	(397,475)	7,489,731	750,000
Net pension liability-ERSA	14,145,019	6,549,763	(9,620,714)	11,074,068	-
Total pension liability-Volunteer firefighter-LOSAP	402,171	-	(40,900)	361,271	10,000
Long-term liabilities from governmental activities	<u>\$ 95,536,287</u>	<u>\$ 15,768,479</u>	<u>\$ (23,649,787)</u>	<u>\$ 87,654,979</u>	<u>\$ 7,461,709</u>
Business-Type Activities					
Health claims payable	\$ 13,182	\$ 471,811	\$ (452,002)	\$ 32,991	\$ 32,991
Compensated absences	122,491	3,339	-	125,830	50,332
Net pension liability-ERSA	618,600	284,179	(419,689)	483,090	-
Long-term liabilities from business-type activities	<u>754,273</u>	<u>759,329</u>	<u>(871,691)</u>	<u>641,911</u>	<u>83,323</u>
Grand Total Long-Term Liabilities	<u>\$ 96,290,560</u>	<u>\$ 16,527,808</u>	<u>\$ (24,521,478)</u>	<u>\$ 88,296,890</u>	<u>\$ 7,545,032</u>

*Additions and deletions are reported net for Compensated absences.

The General Fund generally liquidates the post-employment health care liability, claims and judgments for governmental activities.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE E. LEASES

1. Lease payables

Lease agreements are summarized as follows:

Description	Date	Payable Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance September 30, 2025
Postage Machine	10/1/2021	60 months	\$ 513	7.32%	\$ 25,855	\$ 6,391
Envelope Printer	12/1/2021	60 months	387	7.32%	19,536	5,538
Folding Machine	6/1/2022	60 months	690	7.32%	34,784	13,563
Police & Fire Tower Space-amended	1/1/2021	25 annual	16,200	3.00%	276,210	242,851
Police & Fire Tower Space-new	2/15/2024	25 annual	5,400	3.00%	96,419	91,018
						<u>\$ 359,361</u>

During fiscal year 2022, the General Government Department entered into a 5 year lease for a postage machine, a 5 year lease for an envelope printer, and a 5 year lease for a folding machine. These leases all bear an interest rate of 7.32 percent, are nonrenewable and the City will not own any of this equipment at the end of the term.

In January 2021, the Police and Fire Departments entered into a 25 year lease for radio tower space. This lease is nonrenewable and bears an interest rate of 3 percent. In February 2024, this lease was amended to add additional equipment. An additional lease was also signed to add additional space. This was also a 20 year lease that is nonrenewable and bears interest at 3 percent. The City will not own any assets when the term ends.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ended September 30:	Principal	Interest	Total
9/30/2026	\$ 35,732	\$ 16,271	\$ 52,004
9/30/2027	18,757	9,641	28,398
9/30/2028	12,327	9,098	21,424
9/30/2029	12,677	8,706	21,383
9/30/2030	13,087	8,307	21,395
2031 to 2035	71,634	35,242	106,875
2036 to 2040	83,216	23,483	106,700
2041 to 2045	96,669	9,807	106,476
2046 to 2050	<u>15,262</u>	<u>938</u>	<u>16,200</u>
	<u>\$ 359,361</u>	<u>\$ 121,493</u>	<u>\$ 480,855</u>

Below is a summary of the right to use assets with useful life and accumulated amortization.

Amortization	Useful Life	Beginning Value	Accumulated Amortization	Current Value
Postage Machine	60 months	\$ 25,855	\$ 10,104	\$ 15,751
Envelope Printer	60 months	19,536	7,321	12,215
Folding Machine	60 months	34,784	22,609	12,175
Police & Fire Tower Space-amended	300 months	276,210	37,676	238,534
Police & Fire Tower Space-new	300 months	96,419	6,272	90,147
		<u>\$ 452,804</u>	<u>\$ 83,982</u>	<u>\$ 368,822</u>

City of Foley, Alabama
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2. Lease receivables

The City is reporting Lease Receivables and Deferred Inflow of Resources of \$837,030 at September 30, 2025. For fiscal year 2025 the City reported lease revenue of \$47,047 and interest revenue of \$26,172 related to lease payments received. These leases are summarized as follows:

Lease	Interest Rate	Lease Deferred Inflows as of 9/30/2025	Lease Receivable as of 9/30/2025	Lease Revenue	Lease Interest Revenue
Post Office	3.00%	\$ 109,561	\$ 109,561	\$ 20,330	\$ 3,670
AT&T Tower	3.00%	546,617	546,617	10,674	16,765
Southern Linc Tower	3.00%	180,852	180,852	16,043	5,737
		<u>\$ 837,030</u>	<u>\$ 837,030</u>	<u>\$ 47,047</u>	<u>\$ 26,172</u>

Post Office Lease - In October 1995, the City entered into a 20 year lease with the United States Post Office for the use of a building. Total annual lease payments were \$104,532 a year and this agreement expired on October 18, 2015. The original lease included four (4), five (5) year renewal options for \$24,000 a year. The USPO has exercised the first three renewal options and it is expected that they will exercise the remaining option. The City receives \$2,000 in monthly payments.

AT&T Tower - In January 2018, the City entered into a 30 year lease with AT&T allowing them to place equipment on city radio towers. The lease began with one (1) annual payment of \$25,034 and increases 10% every five (5) years beginning January 2022.

Southern Linc Wireless Tower - In September 2009, the City entered into a 25 year lease with Southern Linc Wireless allowing them to place equipment on city radio towers. The lease began with monthly payments of \$1,000, or \$12,000 a year, and increases 10% every five (5) years beginning August 2014. In 2018, Southern Linc added additional equipment to the tower, but removed the additional equipment and some original equipment in December 2019; which gave a new monthly lease payment of \$1,650. The monthly payment will increase in September 2024 to \$1,815.

NOTE F. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA's)

1. SBITA payables

SBITA agreements are summarized as follows:

Description	Date	Payable Terms	Payment Amount	Interest rate	Total Subscription Liability	Balance September 30, 2025
SBITA-SADA/Google Workspace	6/1/2024	3 annual	\$ 45,540	3%	\$ 132,627	\$ 44,196
SBITA-NeoGov	4/20/2024	3 annual	\$ 29,319	3%	115,288	48,324
SBITA-AXON-Car Cameras	2/23/2024	10 annual	\$ 116,143	3%	1,066,794	902,486
SBITA-AXON-Body Camera/Tasers	10/1/2022	10 annual	\$ 162,150	3%	1,422,090	877,142
						<u>\$ 1,872,148</u>

In June 2024, the IT Department entered into a 3 year agreement with SADA for the right to use Google Workspace. This agreement is nonrenewable and bears an interest rate of 3 percent.

In April 2024, the IT Department entered into a 3 year agreement with NeoGov for the right to use onboarding software. This agreement is nonrenewable and bears an interest rate of 3 percent.

In February 2023, the Police Department entered into a 10 year agreement with AXON for the right to use Axon technology for tasers and body cameras. This agreement is nonrenewable and bears an interest rate of 3 percent.

City of Foley, Alabama
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During the March 2024, the Police Department entered into a 10 year agreement with AXON for the right to use Axon technology for car cameras. This agreement is nonrenewable and bears an interest rate of 3 percent.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ended September 30:	Principal	Interest	Total
9/30/2026	\$ 316,684	\$ 56,947	\$ 373,631
9/30/2027	230,981	47,311	278,292
9/30/2028	237,956	40,337	278,293
9/30/2029	245,192	33,101	278,293
9/30/2030	252,703	25,590	278,293
2031 to 2035	588,632	38,090	626,722
	<u>\$ 1,872,148</u>	<u>\$ 241,376</u>	<u>\$ 2,113,524</u>

Below is a summary of the right to use subscription assets with useful life and accumulated amortization.

Amortization	Useful Life	Beginning Value	Accumulated Amortization	Current Value
SBITA-SADA/Google Workspace	36 months	\$ 132,627	\$ 53,597	\$ 79,030
SBITA-NeoGov	36 months	115,288	56,043	59,245
SBITA-AXON-Car Cameras	360 months	1,066,794	157,018	909,776
SBITA-AXON-Body Camera/Tasers	360 months	1,422,090	426,627	995,463
		<u>\$ 2,736,799</u>	<u>\$ 693,285</u>	<u>\$ 2,043,514</u>

NOTE G. INTERFUND RECEIVABLES AND PAYABLES

The following is a detailed listing of interfund receivables and payables shown in the combined balance sheet:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 2,783,050	\$ 30,416
Capital Projects Fund	-	1,676,262
Sanitation Fund		662,369
Non-Major Funds	30,416	444,419
Total	<u>\$ 2,813,466</u>	<u>\$ 2,813,466</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. City forces began self-collection of commercial sanitation on July 1, 2022. In lieu of incurring debt in the Sanitation Fund, the General Fund contributed \$1,376,720 to purchase the required capital equipment. As of September 30, 2025, the balance owed to the general fund is \$662,369.

City of Foley, Alabama
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NOTE H. INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2025, were as follows:

Transfers to other funds					
Fund	Operations	Debt Service	Economic Development	Capital Projects	Total
General Fund	\$ 674,883	\$ 5,633,855	\$ -	\$ 27,591,966	\$ 33,900,704
Non-Major Funds	200,000	-	2,651,947	12,013,745	14,865,692
Total	\$ 874,883	\$ 5,633,855	\$ 2,651,947	\$ 39,605,711	\$ 48,766,396

Transfers from the General Fund consisted of: \$674,883 to fund operating cost in the Foley Sports Tourism Event Center Operations; Multi-Use Fields Operations; and pay insurance cost in the PFCFCD, PASFCD and PCEFCD Funds; \$5,633,855 was transferred to fund debt service cost in various funds; and \$27,591,966 funded capital improvements in the Capital Projects Fund. Non-Major Funds transfers consisted of: \$200,000 from the Gas Tax Fund to fund a portion of the street resurfacing costs; and \$2,651,947 from the 3 districts for economic development payments.

Transfers from Other Funds					
Fund	Operations	Debt Service	Economic Development	Capital Projects	Total
General Fund	\$ 200,000	\$ -	\$ 2,651,947	\$ 12,013,745	\$ 14,865,692
Capital Projects Fund	-	-	-	27,591,966	27,591,966
Non-Major Funds	674,883	5,633,855	-	-	6,308,738
Total	\$ 874,883	\$ 5,633,855	\$ 2,651,947	\$ 39,605,711	\$ 48,766,396

Transfers to the General Fund consisted of: \$200,000 from the Gas Tax Fund to fund a portion of the street resurfacing costs; \$12,013,745 from the USDA Relending Program Fund to assist the fund the construction of municipal buildings; and \$2,651,947 in project user fees from the Cooperative Districts. The Capital Projects Fund received transfers of \$27,591,966 from the General Fund. Non-Major Fund transfers consisted of transfers from the General Fund to assist the following funds in operations: \$260,541 to the Event Center Operations Fund; \$385,581 to the Multi-Use Fields Operations Fund; \$25,837 to the PFCFCD; \$1,564 to the PASFCD; and \$1,360 to the PCEFCD. Debt service transfers consisted of \$5,633,855 from the General Fund to various non-major funds.

NOTE I. FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the governmental funds balance sheet are detailed according to balance classification and fund.

City of Foley, Alabama
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	General Fund	Capital Projects Fund	Non-Major Funds	Total
Fund Balances:				
Non-Spendable:				
Inventory	\$ 50,797	\$ -	\$ -	\$ 50,797
Prepaid items	234,754	-	-	234,754
Total Non-Spendable	<u>285,551</u>	<u>-</u>	<u>-</u>	<u>285,551</u>
Restricted:				
Debt service reserves	-	-	2,281,455	2,281,455
Police	71,470	-	68,363	139,833
Fire	-	-	685,746	685,746
Court	537,850	-	55,576	593,426
Parks and recreation	-	-	3,497,224	3,497,224
Highways and streets	-	-	2,213,875	2,213,875
Total Restricted	<u>609,320</u>	<u>-</u>	<u>8,802,239</u>	<u>9,411,559</u>
Committed:				
Economic development	-	-	2,404,502	2,404,502
Culture and recreation	-	-	2,451	2,451
Total Committed	<u>-</u>	<u>-</u>	<u>2,406,953</u>	<u>2,406,953</u>
Assigned:				
Culture and recreation	3,027	-	-	3,027
Fire	357,736	-	-	357,736
Total Assigned	<u>360,763</u>	<u>-</u>	<u>-</u>	<u>360,763</u>
Unassigned:	<u>63,047,851</u>	<u>(914,321)</u>	<u>-</u>	<u>62,133,530</u>
Total Fund Balances	<u>\$ 64,303,485</u>	<u>\$ (914,321)</u>	<u>\$ 11,209,192</u>	<u>\$ 74,598,356</u>

NOTE J. RISK MANAGEMENT AND SELF-INSURED HEALTH INSURANCE

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance to cover these risks. During the year the City had no significant reductions in its commercial insurance coverage from the prior year. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

In 2009, the City established a self-funded health plan for its employees. A third-party administrator is responsible for the approval, processing, and payment of claims. The City is responsible for a monthly administrative fee. The City pays 100 percent of employee and covered dependent(s) health, vision, hearing, prescription drugs, and dental claims cost at no premium cost to the employee. Employees who elect family coverage are required to pay a portion of the premium. Claims paid by the City are charged to the various departments where each employee works. Medical claims exceeding \$125,000 per covered individual, per year, are covered through a private insurance carrier.

Liabilities for unpaid claims are based on recommendations by third-party administrator. Changes in the balance of claims liabilities, including provision for incurred but not reported (IBNR) claims, are as follows:

City of Foley, Alabama
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	2025	2024
Unpaid claims, beginning of year	\$ 388,300	\$ 392,000
Incurred claims, including change in IBNR provision	7,799,360	6,171,484
Claims payments	(7,630,760)	(6,175,184)
Unpaid claims, end of year	<u>\$ 556,900</u>	<u>\$ 388,300</u>

NOTE K. COMPENSATED ABSENCES

The City records a compensated absences liability for leave that 1) can be carried forward to future reporting periods; 2) was earned based on service that the employee has already provided; and 3) is more likely than not to be used, paid, or otherwise settled with the City. The compensated absences liability is measured using the pay rates in effect as of the financial statement date, including directly and incrementally associated salary-related employer taxes and benefits. Changes to pay rates will be recognized in future periods as those changes occur. The City uses a first-in, first-out (FIFO) flow assumption for calculating the portion of the liability due within one year.

NOTE L . PENSION PLANS

1. Employee Retirement Systems of Alabama

General Information about the Pension Plan

Plan description. The City participates in the Employees’ Retirement System of Alabama (ERSA), an agent multiple employer plan, that was established under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, state police, and, on an elective basis, to all cities, counties, towns and quasi-public organizations. Assets of the ERS are pooled for investment purposes. However, separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of its employees only. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees, including the Governor, State Treasurer, State Personnel Director and State Director of Finance as ex officio members, three vested members of ERS appointed by the Governor, and eight members of ERS elected by members. Effective October 1, 2021 Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control.

The Plan had approximately 117,309 participants from approximately 890 local participating employers as of September 20, 2024, and is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Benefits provided. State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in post-retirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. The Legislature of Alabama has authority to amend the plan and grants the City authority to accept or reject cost-of-living adjustments to retirees. During its 2012 Session, the Legislature created a Tier 2 plan for all employees hired on or after January 1, 2013, with all employees hired before that date being referred to as Tier 1 members. Membership is mandatory for covered or eligible City employees and substantially all employees are members of ERS.

Tier 1 employees who retire after age 60 with 10 years or more of credible service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 1 retirees are allowed 2.0125 percent of their average final compensation (highest 3 of the last 10 years) for each year of service.

City of Foley, Alabama
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Tier 2 employees are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 retirees are allowed 1.65 percent of their average final compensation (highest 5 of the last 10 years) for each year of service.

Employees 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. Pre-retirement death benefits are calculated and paid to the beneficiary based on the member’s age, service credit, employment status and eligibility for retirement.

Act 132 of Legislature of 2019 allowed employers who participate in the ERS pursuant of 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 percent of earnable compensation for regular employees and 8.5 percent for firefighters and law enforcement officers. On February 1, 2021, the City adopted Resolution 21-1034 to provide Tier I benefits to Tier 2 members effect October 1, 2021.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

	Number
Retired Members or Their Beneficiaries Currently Receiving Benefits	90
Vested Inactive Members	15
Non-vested Inactive Members	54
Active Members	383
Total	542

Contributions. Tier 1 covered members of the ERS contribute 5 percent of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 6 percent. Tier 2 covered members contribute 6 percent of earnable compensation with the exception of certified law enforcement, correctional officers, and firefighters who contribute 7 percent of earnable compensation. The ERS establishes employer rates based on an actuarial determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2025, the City's covered payroll was \$24,370,467. The City’s active employee contribution rate was 5.86 percent of covered payroll, and the City’s average contribution rate to fund the normal and accrued liability costs was 6.36 percent of covered payroll.

The City’s contractually required contribution rate for the year ended September 30, 2025, was 10.53 percent of pensionable pay for Tier 1 employees, and 8.77 percent of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2023, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$1,879,599 for the year ended September 30, 2025.

City of Foley, Alabama
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Net Pension Liability

The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023.

Actuarial assumptions. The total pension liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25% - 6.00%
Investment rate of return	7.45 percent, net of pension plan investment expense, including inflation

Mortality rates for ERS were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2021 scale, which is adjusted by 66-2/3% beginning with year 2019:

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

The actuarial assumptions used in the September 30, 2023, valuation were based on the results of an actuarial experience study for the period October 1, 2015 - September 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a long-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	15.0%	2.8%
U.S. Large Stocks	32.0%	8.0%
U.S. Mid Stocks	9.0%	10.0%
U.S. Small Stocks	4.0%	11.0%
International Developed Market Stocks	12.0%	9.5%
International Emerging Market Stocks	3.0%	11.0%
Alternatives	10.0%	9.0%
Real Estate	10.0%	6.50%
Cash Equivalents	5.0%	1.50%
Total	<u>100.00%</u>	

* includes assumed rate of inflation of 2.0 percent.

City of Foley, Alabama
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Discount rate. The discount rate used to measure the total pension liability at September 30, 2024 was the long term rate of return, 7.45 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the rates currently in effect and that employer contributions will be made in accordance with the funding policy adopted by the Board of Control. Projected future benefit payments for all current plan members were projected for all years.

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 and a municipal bond rate was not used in determining the discount rate.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2023	\$ 57,150,463	42,386,844	\$ 14,763,619
Changes for the year:			
Service cost	1,982,359	-	1,982,359
Interest	4,176,069	-	4,176,069
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	2,681,893	-	2,681,893
Contributions - employer	-	1,549,300	(1,549,300)
Contributions - employee	-	1,442,325	(1,442,325)
Net investment income	-	9,055,157	(9,055,157)
Benefit payments, including refunds of employee contributions	(2,191,685)	(2,191,685)	-
Administrative expense	-	-	-
Transfers among Employers	185,306	185,306	-
Net changes	6,833,942	10,040,403	(3,206,461)
Balances at September 30, 2024	<u>\$ 63,984,405</u>	<u>\$ 52,427,247</u>	<u>\$ 11,557,158</u>

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

	1% Decrease 6.45%	Current Rate 7.45%	1% Increase 8.45%
City's net pension liability (asset)	\$ 20,236,914	\$ 11,557,158	\$ 4,359,506

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2025. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024. The auditor’s report dated August 27, 2025, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

City of Foley, Alabama
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expenditures of \$1,973,850 in the fund level financial statements, and pension expense of \$2,034,157 in the government-wide financial statements. The deferred outflows of resources related to the pension plan, totaling \$1,879,599 resulting from the City's contributions to the plan subsequent to the measurement date (September 30, 2024), will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 3,670,802	\$ 24,138
Changes in assumptions	1,186,178	-
Net difference between projected and actual earnings on plan investments	-	3,511,459
Employer contributions subsequent to measurement date	1,879,599	-
Totals	\$ 6,736,579	\$ 3,535,597

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

Year ended September 30:	
2026	\$ 270,076
2027	1,123,788
2028	(651,058)
2029	(371,924)
2030	469,353
Thereafter	481,148

2. Volunteer Firefighter LOSAP

Plan Description. The City sponsors a single employer Length of Service Awards Program (LOSAP) that provides a retirement benefit, disability benefit, and pre-entitlement death benefit policy for volunteer firefighters. The plan was established by the City in 1994 and is managed by Volunteer Firemen's Insurance Services. Benefit terms were established and may be amended by the City.

Benefits provided. Retirement benefits for LOSAP members are available after the member reaches the entitlement age of 65 and completion of one year of active service with the City. The member will receive a monthly income for life with a guarantee of at least 120 monthly payments payable to the participant or his designated beneficiary. The monthly amount payable ranges between a minimum amount of \$100 and a maximum amount of \$300. Disability benefits are available for active members that become totally and permanently disabled from any cause prior to the entitlement age. Pre-entitlement death benefit for each active and qualified member is the greater of \$10,000 or the present value of the members accrued benefit.

The plan had 38 participants as of the plan year ended June 30, 2025, consisting of 12 active, 24 vested-terminated, and 2 retired participants.

Total Pension Liability. There are no assets accumulated in a trust that meets the criteria to permit a netting of assets against the liability. The City's total pension liability was measured as of June 30, 2025.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
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Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2024 rolled forward to June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	0 %
Salary increases	Not applicable
Investment rate of return	4.25% percent, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2024 actuarial valuation report.

Changes in the Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at July 1, 2024	\$ 402,171	\$ -	\$ 402,171
Changes for the year:			
Service cost	5,156	-	5,156
Interest	19,171	-	19,171
Changes of benefit terms	-	-	-
Differences between expected and actual experience	636	-	636
Changes of assumptions	(56,813)	-	(56,813)
Benefit payment and expenses	(9,050)	-	(9,050)
Net Changes	(40,900)	-	(40,900)
Balances at June 30, 2025	\$ 361,271	\$ -	\$ 361,271

Sensitivity of the total pension liability to changes in the discount rate. The following table represents the City's total pension liability calculated using the discount rate of 4.81 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.81 percent) or 1-percentage point higher (5.81 percent) than the current rate:

	1% Decrease 3.81%	Current Rate 4.81%	1% Increase 5.81%
City's total pension liability	\$ 427,768	\$ 361,271	\$ 308,738

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

For the year ended September 30, 2025, the City recognized pension expenditures of \$10,788 in the fund level financial statements, and there was a reduction of pension expense in the government-wide financial statements of \$46,872. At June 30, 2025, the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 477	\$ 1,541
Changes in assumptions	-	46,692
Total	\$ 477	\$ 48,233

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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

Year ended September 30:		
2026	\$	(16,855)
2027		(16,856)
2028		(14,045)
Thereafter		-

3. Aggregate Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources for ERSA and LOSAP

For the year ended September 30, 2025, the City recognized an aggregate pension expenditures of \$1,984,638 in the fund level financial statements, and pension expense of \$2,034,156 in the government-wide financial statements. The following table represents an aggregate deferred outflows of resources, deferred inflows of resources and pension liabilities for all pension plans.

	ERSA	LOSAP	Total
Deferred Outflows of Resources			
Difference between expected and actual experience	\$ 3,670,802	\$ 477	\$ 3,671,279
Changes of assumptions	1,186,178	-	1,186,178
Net difference between projected and actual earnings	-	-	-
Employer retirement contributions subsequent to measurement date	1,879,599	-	1,879,599
Total Deferred Outflows of Resources	\$ 6,736,579	\$ 477	\$ 6,737,056
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 24,138	\$ 1,541	\$ 25,679
Net difference between projected and actual earnings	3,511,459	-	3,511,459
Changes of assumptions	-	46,692	46,692
Total Deferred Inflows of Resources	\$ 3,535,597	\$ 48,233	\$ 3,583,830
Pension Liabilities			
ERSA-Net Pension Liability	\$ 11,557,158	\$ -	\$ 11,557,158
Volunteer Firefighter LOSAP - Total Pension Liability	-	361,271	361,271
Total Pension Liabilities	\$ 11,557,158	\$ 361,271	\$ 11,918,429

NOTE M. POST EMPLOYMENT HEALTH CARE BENEFITS

General Information about the OPEB Plan

Plan description. The City of Foley Health Care Plan is a single-employer self-funded defined benefit health care plan administered by the City of Foley. The contribution requirements of plan members are established and may be amended by the City of Foley. The City’s required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 and the Plan does not issue stand-alone financial reports.

Benefits provided. Under the City’s Health Care Plan, a retired employee who draws a monthly retirement check may elect to continue coverage in the Plan if the retiree has 25 years of service, regardless of age, or the retiree has 10 years of service and is 60 or more years in age, or has been determined to be disabled by the Social Security Administration or the Retirement System of Alabama. Coverage is also offered to eligible retirees’ dependents. Retirees reimburse the City for 100 percent of the premium rate set by the City for health, vision, and dental coverage. Pre-Medicare retirees pay the blended premium rate, while Medicare-eligible retirees are offered a C-Plus Plan rate with Blue Cross Blue Shield of Alabama.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

The following table summarizes active and retiree demographic information for the medical plan as of September 30, 2024.

Status	Employee Only	Employee & Family	Total
Active	132	218	350
Retired	10	12	22
Total	142	230	372

Total OPEB Liability

The City's total OPEB liability of \$7,887,206 was measured as of September 30, 2024, and was determined by an actuarial valuation as of that date and rolled forward by the City using standard roll-forward techniques and estimated to be \$7,489,731.

Actuarial assumptions and other inputs. The total OPEB liability in the September actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.5 percent
Discount Rate	4.06 percent (1.56 percent real rate of return plus 2.5 percent inflation)
Healthcare cost trend rates	For medical: 4.5 percent. For dental: 3.0 percent
Retirees' share of benefit-related costs	The retiree pays the full contribution rate for medical, vision and dental coverage. The City pays all retiree claims from a self-funded health plan.

The discount rate was based on S&P Municipal Bond 20 year high grade rate index.

Mortality rates were based on the RPH-2014 total table with projection MP-2021.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study for the period October 1, 2023 - September 30, 2024.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances October 1, 2024	\$ 7,887,206	\$ -	\$ 7,887,206
Changes for the year:			
Service cost	288,789	-	288,789
Interest cost	274,777	-	274,777
Differences between expected and actual experience	(961,041)	-	(961,041)
Changes in assumptions	-	-	-
Benefit payments	-	-	-
Net change in total OPEB liability	(397,475)	-	(397,475)
Total OPEB liability September 30, 2025	\$ 7,489,731	\$ -	\$ 7,489,731

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06 percent) or 1-percentage-point higher (5.06 percent) than the current discount rate:

	1% Decrease 3.06%	Discount Rate 4.06%	1% Increase 5.06%
Total OPEB Liability	\$ 8,313,601	\$ 7,489,731	\$ 6,763,227

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5 percent) or 1-percentage-point higher (5.5 percent) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Cost Trend Rates 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 6,546,025	\$ 7,489,731	\$ 8,605,701

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

For the year ended September 30, 2025, the City recognized no OPEB expenditures in the fund level financial statements, and OPEB expense of \$27,294 in the government-wide financial statements. Other amounts reported as deferred outflows of resources related to the OPEB will be recognized in OPEB expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,176,036	\$ 115,797
Changes in assumptions	493,202	354,135
Totals	\$ 1,669,238	\$ 469,932

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

Year ended September 30:	
2025	326,761
2026	152,517
2027	292,887
2028	355,951
2029	71,190
2030+	-

NOTE N. DEFERRED COMPENSATION PLANS

Employees of the City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. There are two plans available to all eligible employees of the City. Under the plans, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

One plan is administered by the Employees' Retirement System of Alabama as fiduciary and the other plan is administered by Great West Retirement Services as fiduciary. Under the terms of an IRS Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held by the financial institution, until paid or made available to the employees or beneficiaries.

NOTE O. TAX ABATEMENTS

From time-to-time the City enters into economic development agreements to entice new businesses to locate in Foley or facilitate the expansion of existing businesses in order to create jobs, stimulate the economy and increase the tax base. These incentive agreements are authorized by Amendment 772 of the Constitution of Alabama and are normally for the abatement of property taxes for a set period of time or the abatement of sales and use tax on construction materials and equipment purchases. The City has not made any commitments as part of the agreements other than to reduce taxes. The City has chosen to disclose information about all of its tax abatement agreements individually.

Effective July 5, 2016, the City entered into a Tax Abatement Agreement with Foley Holdings LLC and its affiliates', granted under Chapter 9B Title 40 of the Code of Alabama 1975, as a tourism destination attraction project. The following taxes are abated for the project under the agreement: (1) all state and local noneducational property taxes (as defined), and (2) all construction-related transaction taxes (as defined), except those local construction-related transaction taxes levied for educational purposes or for capital improvements for education. In return, Foley Holdings LLC promises to build a new multi-year project as a tourism destination attraction, resulting in an increase in the sales and lodging tax base and an increase in available jobs. To meet the requirements of GASB Statement 77, the Baldwin County Probate Judge will provide the property taxes abated by the City each year. Although the agreement does not require Foley Holdings to submit reports of construction-related costs to the City of Foley, the Baldwin County Revenue Commissioner's Office has provided those amounts from the monthly educational tax returns and to the City. Below is a summary of taxes abated by the City's agreements:

Company	Abatement Began	FY 2025 Ad-Valorem	Total Ad-Valorem	FY 2025 Sales & Use	Total Sales & Use
Foley Holdings LLC	2017	\$ 121,193	\$ 753,641	\$ 6,391	\$ 2,331,242

The Industrial Development Board (IDB) grants abatements under Chapter 9B of Title 40 of the Code of Alabama 1975, for economic development projects within the City which benefit the City and its citizens by creating new jobs and increasing the property tax base. The following taxes are abated for projects under the IDB's agreements: (1) all state and local noneducational property taxes (as defined), and (2) all construction-related transaction taxes (as defined), except those local construction-related transaction taxes levied for educational purposes or for capital improvements for education. To meet the requirements of GASB Statement 77, the Baldwin County Probate Judge has provided the amount of property taxes abated by the City each year. Although the agreements do not require businesses to submit reports of construction-related costs to the City of Foley, the Baldwin County Revenue Commissioner's Office has provided those amounts from the monthly educational tax returns to the City. Below is a summary of taxes abated by the IDB:

Company	Abatement Began	FY 2025 Ad-Valorem	Total Ad-Valorem	FY 2025 Sales & Use	Total Sales & Use
Ascend	2019	3,716	23,760	-	-
Rohr, Inc (UTC)/Collins Aerospace)	2016	14,513	113,563	-	121,130
Totals abated by the IDB		<u>\$ 18,229</u>	<u>\$ 137,323</u>	<u>\$ -</u>	<u>\$ 121,130</u>

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE P. COMMITMENTS AND CONTINGENCIES

The City's Capital Projects Fund had various capital improvement projects in progress at September 30, 2025. In addition, the City has commitments and plans for additional major capital projects for the fiscal year September 30, 2026, and the cost of these projects is estimated by management to be approximately \$65.5 million. The City expects to receive partial funding of approximately \$28.2 million for these projects from third parties in the form of grants and joint participation reimbursements in 2026. The City is analyzing a potential bond issuance in the amount of \$5 million.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. City management believes such disallowances, if any, would not be material to the financial statements of the City.

NOTE Q. ECONOMIC DEPENDENCY

The City's main revenue sources are derived primarily from sales tax on retail businesses, charges for services such as waste removal, and utility tax equivalents. The revenues are collected on a monthly basis.

NOTE R. RESTATEMENT

1. Accounting Principal Change - GASB 101

During the current fiscal year, the City implemented GASB 101. This standard replaces the previous guidance in GASB Statement No. 16 and updates the recognition and measurement requirements for liabilities related to compensated absences.

Under GASB 101, liabilities for compensated absences are recognized when the leave is attributable to services already rendered, accumulates, and is not contingent upon a specific future event. The new standard also clarifies the treatment of various types of leave, including vacation, sick leave, and other paid time off, based on the City's policies and employee agreements.

The City implemented GASB 101 retroactively by restating beginning net position as of October 1, 2024. As a result of this change in accounting principle, the compensated absences liability increased by \$2,310,377, with a corresponding decrease in beginning net position. This restatement had no effect on the change in net position for the current fiscal year.

The effect of the implementation of GASB 101 on beginning net position is summarized as follows:

Fund Type	Governmental Activities	Business-Type Activities	Total
Beginning Net Position	\$ 222,059,693	\$ 26,615,535	\$ 248,675,228
Increase in Compensated Absences Liability	(2,234,535)	(75,842)	(2,310,377)
Ending Net Position	\$ 219,825,158	\$ 26,539,693	\$ 246,364,851

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2 Change to the Financial Reporting Entity (Major to Nonmajor)

During fiscal year 2025, the City evaluated its fund presentation in accordance with the criteria established by GASB Statement No. 34 for identifying major funds. As a result of changes in the fund financial activity and relative significance, the City determined that the USDA Relending Program Fund, as previously reported as a major governmental fund, no longer meets the quantitative or qualitative thresholds for major fund report.

In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, a change in a fund's presentation as major or nonmajor constitutes a change to or within the financial reporting entity. GASB 100 requires that such changes be reported by adjusting the beginning fund balance of the current reporting period as through the changed occurred at the start of the period.

Effects on Beginning Fund Balances

As required, the USDA Relending Program is presented in the current year as a nonmajor government governmental fund, and the prior-year ending fund balance has been carried forward and reported as the beginning fund balance of the current nonmajor funds column. To maintain comparability with prior-year financial statements, the prior-year major fund presentation is reflected in the current year as a "ghost column," which includes on the beginning balance (previously reported) and the corresponding adjustment to present the fund as nonmajor.

NOTE S. SUBSEQUENT EVENTS

The City has evaluated events and transactions that occurred between September 30, 2025, and February 16, 2026, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Foley, Alabama
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 3,193,500	\$ 3,293,500	\$ 3,505,324	\$ 211,824
Sales & local taxes	46,715,630	44,700,130	44,690,285	(9,845)
Franchise fees	7,340,250	5,593,570	6,163,017	569,447
License & permits	479,908	1,331,908	1,497,873	165,965
Intergovernmental revenues	821,325	821,325	916,490	95,165
Charges for service	1,056,619	1,056,619	814,070	(242,549)
Fine & forfeitures	9,479,100	10,115,847	10,112,612	(3,235)
Investment income and rents	3,046,843	3,046,843	3,140,414	93,571
Contributions and donations	62,250	87,943	64,274	(23,669)
Other	276,240	487,773	679,163	191,390
Total Revenue	<u>72,471,665</u>	<u>70,535,458</u>	<u>71,583,522</u>	<u>1,048,064</u>
Expenditures				
Current:				
General government	11,543,944	11,222,637	10,355,365	867,272
Public Safety	22,111,978	22,461,975	20,805,009	1,656,966
Highway and streets	5,569,635	6,133,974	5,807,700	326,274
Culture and recreation	11,610,885	11,883,158	11,184,170	698,988
Economic Development	5,091,870	6,126,680	5,790,759	335,921
Capital	3,652,800	5,190,440	4,290,874	899,566
Debt Service:				
Principal	386,444	391,968	332,916	59,052
Interest	38,231	43,307	60,159	(16,852)
Total Expenditures	<u>60,005,787</u>	<u>63,454,139</u>	<u>58,626,952</u>	<u>4,827,187</u>
Excess (deficiency) of revenues over expenditures	<u>12,465,878</u>	<u>7,081,319</u>	<u>12,956,570</u>	<u>(3,779,123)</u>
Other financing sources (uses)				
Transfers In	8,992,958	14,829,762	14,865,692	35,930
Transfers out	(52,350,152)	(49,126,727)	(33,900,704)	(15,226,023)
Sale of Capital Assets	50,000	1,043,008	1,066,726	(23,718)
Total Other financing sources (uses)	<u>(43,307,194)</u>	<u>(33,253,957)</u>	<u>(17,968,286)</u>	<u>(15,213,811)</u>
Net change in fund balance	(30,841,316)	(26,172,638)	(5,011,716)	(18,992,934)
Fund balance, beginning of year	<u>69,315,201</u>	<u>69,315,201</u>	<u>69,315,201</u>	
Fund balance, end of year	<u>\$ 38,473,885</u>	<u>\$ 43,142,563</u>	<u>\$ 64,303,485</u>	<u>\$ (18,992,934)</u>

City of Foley, Alabama
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
EMPLOYEE RETIREMENT SYSTEM OF ALABAMA
Last 10 Fiscal Years Ending September 30

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,982,359	\$ 1,795,585	\$ 1,638,133	\$ 1,315,567	\$ 1,307,377	\$ 1,229,255	\$ 1,176,722	\$ 1,142,347	\$ 1,048,239	\$ 1,015,471
Interest	4,176,069	3,877,716	3,581,743	3,201,498	2,919,218	2,725,193	2,446,341	2,240,945	2,003,407	1,796,095
Changes of benefit terms	-	-	42,274	1,091,741	-	-	-	-	-	-
Differences between expected and actual experience	2,681,893	632,028	171,920	378,781	941,933	(82,074)	1,133,625	709,490	327,070	578,204
Changes in assumptions	-	-	-	2,322,656	-	-	224,112	-	1,333,139	-
Benefit payments, including refunds of employee contributions	(2,191,685)	(1,971,557)	(1,673,490)	(1,623,929)	(1,350,241)	(1,347,875)	(1,097,834)	(983,925)	(843,438)	(753,298)
Transfer among employers	185,306	(218,965)	361,248	(162,352)	(15,464)	(3,513)	68,484	(401,637)	74,665	-
Net change in total pension liability	6,833,942	4,114,807	4,121,828	6,523,962	3,802,823	2,520,986	3,951,450	2,707,220	3,943,082	2,636,472
Total pension liability - beginning	57,150,463	53,035,656	48,913,828	42,389,866	38,587,043	36,066,057	32,114,607	29,407,387	25,464,305	22,827,833
Total pension liability - ending (a)	<u>\$ 63,984,405</u>	<u>\$ 57,150,463</u>	<u>\$ 53,035,656</u>	<u>\$ 48,913,828</u>	<u>\$ 42,389,866</u>	<u>\$ 38,587,043</u>	<u>\$ 36,066,057</u>	<u>\$ 32,114,607</u>	<u>\$ 29,407,387</u>	<u>\$ 25,464,305</u>
Plan fiduciary net position										
Contributions - employer	1,549,300	1,328,908	1,212,627	960,209	985,338	934,633	769,462	753,011	748,050	745,009
Contributions - member	1,442,325	1,259,420	1,136,176	959,929	964,212	879,204	806,690	778,999	707,521	717,586
Net investment income	9,055,157	4,847,674	(5,370,535)	7,524,459	1,812,169	780,844	2,533,128	3,067,483	2,175,806	243,153
Benefit payments, including refunds of employee contributions	(2,191,685)	(1,971,557)	(1,673,490)	(1,623,929)	(1,350,241)	(1,347,875)	(1,097,834)	(983,925)	(843,438)	(753,298)
Transfers among employers	185,306	(218,965)	361,248	(162,352)	(15,464)	(3,513)	68,484	(401,637)	74,665	(144,035)
Net change in fiduciary net position	10,040,403	5,245,480	(4,333,974)	7,658,316	2,396,014	1,243,293	3,079,930	3,213,931	2,862,604	808,415
Plan net position - beginning	42,386,844	37,141,364	41,475,338	33,817,022	31,421,008	30,177,715	27,097,785	23,883,854	21,021,250	20,212,835
Plan net position - ending (b)	<u>\$ 52,427,247</u>	<u>\$ 42,386,844</u>	<u>\$ 37,141,364</u>	<u>\$ 41,475,338</u>	<u>\$ 33,817,022</u>	<u>\$ 31,421,008</u>	<u>\$ 30,177,715</u>	<u>\$ 27,097,785</u>	<u>\$ 23,883,854</u>	<u>\$ 21,021,250</u>
Net pension liability (asset) - ending (a)-(b)	\$ 11,557,158	\$ 14,763,619	\$ 15,894,292	\$ 7,438,490	\$ 8,572,844	\$ 7,166,035	\$ 5,888,342	\$ 5,016,822	\$ 5,523,533	\$ 4,443,055
Plan fiduciary net position as a percentage of the total pension liability	81.94%	74.17%	70.03%	84.79%	79.78%	81.43%	83.67%	84.38%	81.22%	82.55%
Covered payroll *	\$ 27,171,860	\$ 21,222,471	\$ 19,066,477	\$ 16,098,747	\$ 15,870,132	\$ 14,132,751	\$ 13,534,684	\$ 13,630,907	\$ 12,819,969	\$ 11,045,473
Net pension liability (asset) as a percentage of covered payroll	42.53%	69.57%	83.36%	46.21%	54.02%	50.71%	43.51%	36.80%	43.09%	40.23%

*Employer's covered payroll during the measurement period is the total covered payroll. For FY 2025 the measurement period is October 1, 2023 - September 30, 2024. GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll in FY 2017.

See accompanying notes to required supplemental information.

City of Foley, Alabama
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEE RETIREMENT SYSTEM OF ALABAMA
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
Last 10 Fiscal Years Ending September 30

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution*	\$ 1,879,599	\$ 1,549,300	\$ 1,328,908	\$ 1,176,293	\$ 960,209	\$ 985,338	\$ 899,820	\$ 769,462	\$ 752,893	\$ 748,050
Contributions in relation to the actuarially determined contribution*	<u>1,879,599</u>	<u>1,549,300</u>	<u>1,328,908</u>	<u>1,176,293</u>	<u>960,209</u>	<u>985,338</u>	<u>899,820</u>	<u>769,462</u>	<u>752,893</u>	<u>748,050</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll**	\$ 24,370,347	\$ 27,171,860	\$ 21,222,471	\$ 19,066,477	\$ 16,098,747	\$ 14,132,751	\$ 14,132,751	\$ 13,534,684	\$ 13,630,907	\$ 12,819,969
Contributions as a percentage of covered employee payroll	7.71%	5.70%	6.26%	6.17%	5.96%	6.97%	6.37%	5.69%	5.52%	5.84%

Notes to Schedule

Actuarially determined contributions 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 2025 were based on the September 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2024 to September 30, 2025:

<i>Actuarial cost method</i>	<i>Entry Age</i>
<i>Amortization method</i>	<i>Level percent closed</i>
<i>Remaining amortization period</i>	<i>17.3 years</i>
<i>Asset valuation method</i>	<i>Five year smoothed market</i>
<i>Inflation</i>	<i>2.50%</i>
<i>Salary increases</i>	<i>3.25 - 6.00%, including inflation</i>
<i>Investment rate of return</i>	<i>7.45%, net of pension plan investment expense, including inflation</i>

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

** Employer's covered payroll for each fiscal year is the total covered payroll for the 12 month period of the underlying financial statements.

See accompanying notes to required supplemental information.

City of Foley, Alabama
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years Ending September 30

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability										
Service cost	\$ 288,789	\$ 288,789	\$ 288,789	\$ 288,789	\$ 213,484	\$ 213,484	\$ 213,484	\$ 213,484	\$ -	\$ -
Interest	274,777	274,777	156,058	156,058	133,163	133,163	179,325	179,325	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	1,654,718	-	(316,297)	-	571,714	-	-	-	-
Changes of assumptions or other inputs	-	552,178	-	(967,371)	-	1,236,042	-	-	-	-
Benefit payments	(961,041)	(709,975)	(266,089)	(320,719)	(357,259)	(257,885)	(46,114)	(42,585)	-	-
Net change in total OPEB liability	(397,475)	2,060,487	178,758	(1,159,540)	(10,612)	1,896,518	346,695	350,224	-	-
Total OPEB liability-beginning	7,887,206	5,826,719	5,647,961	6,807,501	6,818,113	4,921,595	4,574,900	4,224,676	-	-
Total OPEB liability-ending	<u>\$ 7,489,731</u>	<u>\$ 7,887,206</u>	<u>\$ 5,826,719</u>	<u>\$ 5,647,961</u>	<u>\$ 6,807,501</u>	<u>\$ 6,818,113</u>	<u>\$ 4,921,595</u>	<u>\$ 4,574,900</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 24,370,347	\$ 21,812,975	\$ 21,222,471	\$ 19,066,477	\$ 16,098,747	\$ 15,870,132	\$ 14,132,751	\$ 13,534,684	n/a	n/a
Total OPEB liability as a percentage of covered employee payroll	30.73%	36.16%	27.46%	29.62%	42.29%	42.96%	34.82%	33.80%	n/a	n/a

Notes to Schedule:

The City does not have assets accumulated in a trust that meets the criteria in GASB Codification Section P22.101 for purposes of funding OPEB benefits. Accordingly, the net OPEB liability is equal to the total OPEB liability, and no fiduciary net position is reported.

Changes in benefit terms: None

Changes of assumptions: None for the current year, but future year changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the rates used in each period:

2025	4.06%
2024	4.06%
2023	4.77%
2022	4.77%
2021	2.25%
2020	2.25%

Note: This schedule is presented to illustrate the requirement to show information for 10 years, however, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See accompanying notes to required supplemental information.

City of Foley, Alabama
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER FIREFIGHTER LENGTH OF SERVICE AWARDS PROGRAM
Last 10 Fiscal Years Ending September 30

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 5,156	\$ 5,363	\$ 5,934	\$ 7,218	\$ 14,396	\$ 10,317	\$ 9,583	\$ 10,510	\$ 9,209	\$ -
Interest	19,171	15,789	15,555	21,599	9,651	10,312	11,860	13,778	15,147	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	636	(3,081)	(4,383)	(20,522)	3,776	1,647	(10,018)	(12,459)	-	-
Changes in assumptions	(56,813)	(8,164)	(13,037)	(180,641)	64,549	68,969	40,859	(4,081)	(58,127)	-
Payments for benefits and admin. expenses	(9,050)	(9,040)	(9,660)	(10,813)	(8,550)	(9,216)	(10,596)	(10,495)	(10,028)	-
Net change in total pension liability	(40,900)	867	(5,591)	(183,159)	83,822	82,029	41,688	(2,747)	(43,799)	-
Total pension liability - beginning	402,171	401,304	406,895	590,054	506,232	424,203	382,515	385,262	429,061	-
Total pension liability - ending (a)	<u>\$ 361,271</u>	<u>\$ 402,171</u>	<u>\$ 401,304</u>	<u>\$ 406,895</u>	<u>\$ 590,054</u>	<u>\$ 506,232</u>	<u>\$ 424,203</u>	<u>\$ 382,515</u>	<u>\$ 385,262</u>	<u>\$ -</u>
Total pension liability	<u>\$ 361,271</u>	<u>\$ 402,171</u>	<u>\$ 401,304</u>	<u>\$ 406,895</u>	<u>\$ 590,054</u>	<u>\$ 506,232</u>	<u>\$ 424,203</u>	<u>\$ 382,515</u>	<u>\$ 385,262</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	n/a	n/a								
Pension liability as a percentage of covered-employee payroll	n/a	n/a								
Expected average remaining service years for all participants	4	4	3	4	4	4	4	5	5	-

Notes to Schedule:

Benefit changes: None.

Changes of assumptions: None, other than discount rate.

There are no assets accumulated in a trust that meets GASB Statement No. 73, paragraph 4, to pay related benefits.

Note: This schedule is presented to illustrate the requirement to show information for 10 years, however, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See accompanying notes to required supplemental information.

City of Foley, Alabama
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2025

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

The legal level of budgetary control is maintained at the department level by expenditure category (personnel, operating, and capital). For financial reporting purposes, departments are grouped into functional categories consistent with the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Schedule of Budgetary Comparison - Expenditures by Department is presented as a detailed comparison of the original and final budgets to actual expenditures for the General Fund at the department level by expenditure category (personnel, operating, and capital), which represents the City's legal level of budgetary control. The schedule is provided to supplement the budgetary comparison schedule presented as Required Supplementary Information, which is summarized by function of government.

Revenues are budgeted, monitored, and reported at the fund level and are not allocated to individual departments for budgetary control purposes; therefore, only expenditures are presented in this schedule. The totals in this schedule reconcile to the expenditure amounts reported in the General Fund budgetary comparison schedule included in Required Supplementary Information.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the months of April - June, Directors submit all budget request for the upcoming year. Discussions with the Mayor and City Administrator take place during these months to ensure that all goals and needs of the departments and the City are being met.
2. Finance then drafts budgets for the Funds, which include proposed expenditures and the means of financing them.
3. On or before September 1, a proposed budget is submitted by the Mayor to the City Council. Prior to October 1, the budgets are legally enacted through passage of a resolution.
4. The City Council may amend the budget through resolution as needed.
5. Budgets for the Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) and in accordance with Alabama law.
6. With the exception of construction work in progress, appropriations lapse at the end of each fiscal year.
7. Capital project budgets are tracked on a multi-year planning document. This document is included in the annual budget; however, only the remaining budgets for the projects approved and in-progress are carried forward to the new year, and new projects may not begin until the City Council appropriates funding by formal action. There is no budget to actual schedule included for capital project funds since the budget is appropriated all at once and the expenses occurs over multiple years.

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OTHER SUPPLEMENTARY INFORMATION

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City of Foley, Alabama
Other Supplementary Information
GENERAL FUND
SCHEDULE OF BUDGETARY COMPARISON - EXPENDITURES BY DEPARTMENT
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government				
General Government Administration				
Personnel	\$ 5,023,415	\$ 4,160,383	\$ 3,504,751	\$ 655,632
Capital	50,000	50,000	40,991	9,009
Operational	2,265,975	2,571,128	2,464,111	107,017
Total expenditures - General Government	7,339,390	6,781,511	6,009,853	771,658
Municipal Complex				
Personnel	546,360	570,536	685,293	(114,757)
Capital	85,000	129,000	61,953	67,047
Operational	176,050	231,550	196,445	35,105
Total expenditures - Municipal Complex	807,410	931,086	943,691	(12,605)
Municipal Court				
Personnel	600,560	617,081	610,387	6,694
Capital	-	27,050	-	27,050
Operational	530,409	550,420	416,397	134,023
Total expenditures - Municipal Court	1,130,969	1,194,551	1,026,784	167,767
Information Technology				
Personnel	600,140	625,488	583,592	41,896
Capital	341,000	301,000	273,761	27,239
Operational	455,600	455,400	458,757	(3,357)
Total expenditures - Information Technology	1,396,740	1,381,888	1,316,110	65,778
Maintenance Shop				
Personnel	516,310	516,414	521,377	(4,963)
Capital	50,000	50,000	45,990	4,010
Operational	47,000	46,600	42,062	4,538
Total expenditures - Maintenance Shop	613,310	613,014	609,429	3,585
Public Works				
Personnel	545,755	625,877	666,416	(40,539)
Capital	15,000	15,000	-	15,000
Operational	119,600	119,990	79,784	40,206
Total expenditures - Public Works	680,355	760,867	746,200	14,667
Airport				
Operational	116,770	131,770	125,993	5,777
Total expenditures - Airport	116,770	131,770	125,993	5,777

City of Foley, Alabama
Other Supplementary Information
GENERAL FUND
SCHEDULE OF BUDGETARY COMPARISON - EXPENDITURES BY DEPARTMENT
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total general government personnel and operating expenditures	11,543,944	11,222,637	10,355,365	867,272
Total general government capital	541,000	572,050	422,695	149,355
Public Safety				
Public Safety Administration				
Personnel	213,000	275,717	306,601	(30,884)
Capital	54,000	60,985	60,985	-
Operational	11,500	11,500	7,584	3,916
Total expenditures - Public Safety	278,500	348,202	375,170	(26,968)
Police				
Personnel	12,209,320	12,264,909	11,116,219	1,148,690
Capital	1,098,800	2,052,421	1,714,320	338,101
Operational	1,640,639	1,651,563	1,617,812	33,751
Total expenditures - Police	14,948,759	15,968,893	14,448,351	1,520,542
Fire				
Personnel	4,916,690	5,016,359	5,002,011	14,348
Capital	147,500	208,737	108,620	100,117
Operational	769,443	813,264	657,533	155,731
Total expenditures - Fire	5,833,633	6,038,360	5,768,164	270,196
Planning & Development Services				
Personnel	1,392,155	1,333,615	1,296,477	37,138
Capital	50,000	50,000	-	50,000
Operational	124,650	118,915	80,213	38,702
Total expenditures - Planning & Development Serv	1,566,805	1,502,530	1,376,690	125,840
Environmental				
Personnel	596,560	629,913	556,230	73,683
Capital	67,500	59,857	54,594	5,263
Operational	238,021	346,220	164,329	181,891
Total expenditures - Environmental	902,081	1,035,990	775,153	260,837
Total public safety personnel and operating expenditures	22,111,978	22,461,975	20,805,009	1,656,966
Total public safety capital	1,417,800	2,432,000	1,938,519	493,481

City of Foley, Alabama
Other Supplementary Information
GENERAL FUND
SCHEDULE OF BUDGETARY COMPARISON - EXPENDITURES BY DEPARTMENT
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Highways & streets				
Infrastructure & Development				
Personnel	314,685	360,145	326,239	33,906
Operational	18,920	70,174	49,980	20,194
Total expenditures - Infrastructure & Development	333,605	430,319	376,219	54,100
Streets				
Personnel	3,654,140	3,612,729	3,393,763	218,966
Capital	901,000	1,125,256	1,128,012	(2,756)
Operational	779,450	1,145,875	1,156,634	(10,759)
Total expenditures - Streets	5,334,590	5,883,860	5,678,409	205,451
Engineering				
Personnel	665,115	674,657	630,683	43,974
Operational	137,325	270,394	250,401	19,993
Total expenditures - Engineering	802,440	945,051	881,084	63,967
Total highway & streets personnel and operating expenditures				
	5,569,635	6,133,974	5,807,700	326,274
Total highway & streets capital				
	901,000	1,125,256	1,128,012	(2,756)
Culture & recreation				
Leisure Services				
Personnel	687,175	701,989	606,763	95,226
Capital	100,000	100,000	-	100,000
Operational	371,996	389,896	241,594	148,302
Total expenditures - Leisure Services	1,159,171	1,191,885	848,357	343,528
Library				
Personnel	1,465,200	1,518,243	1,529,369	(11,126)
Capital	45,000	68,803	49,803	19,000
Operational	353,950	368,950	346,831	22,119
Total expenditures - Library	1,864,150	1,955,996	1,926,003	29,993
Parks & Recreation				
Personnel	1,959,325	2,002,687	1,986,025	16,662
Capital	334,000	455,831	435,403	20,428
Operational	1,091,400	1,090,515	1,037,613	52,902
Total expenditures - Parks & Recreation	3,384,725	3,549,033	3,459,041	89,992

City of Foley, Alabama
Other Supplementary Information
GENERAL FUND
SCHEDULE OF BUDGETARY COMPARISON - EXPENDITURES BY DEPARTMENT
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports Tourism				
Personnel	1,373,685	1,402,439	1,331,581	70,858
Capital	177,000	177,000	122,994	54,006
Operational	268,450	250,450	203,233	47,217
Total expenditures - Sports Tourism	1,819,135	1,829,889	1,657,808	172,081
Horticulture				
Personnel	527,510	549,315	483,193	66,122
Capital	46,000	46,000	-	46,000
Operational	394,494	396,894	326,440	70,454
Total expenditures - Horticulture	968,004	992,209	809,633	182,576
Marketing				
Personnel	675,420	698,097	739,480	(41,383)
Capital	-	120,000	110,731	9,269
Operational	316,345	319,859	300,768	19,091
Total expenditures - Marketing	991,765	1,137,956	1,150,979	(13,023)
Senior Center				
Personnel	340,940	351,323	405,281	(53,958)
Operational	105,060	111,627	94,383	17,244
Total expenditures - Senior Center	446,000	462,950	499,664	(36,714)
Beautification				
Capital	-	7,500	7,000	500
Operational	146,300	146,300	131,086	15,214
Total expenditures - Beautification	146,300	153,800	138,086	15,714
Nature Parks				
Personnel	743,085	792,029	746,121	45,908
Capital	91,000	86,000	75,717	10,283
Operational	301,550	302,050	242,588	59,462
Total expenditures - Nature Parks	1,135,635	1,180,079	1,064,426	115,653
Food & Beverage				
Personnel	280,000	281,495	215,655	65,840
Operational	209,000	209,000	216,166	(7,166)
Total expenditures - Food & Beverage	489,000	490,495	431,821	58,674
Total culture & recreation personnel and operating expenditures	11,610,885	11,883,158	11,184,170	698,988
Total culture & recreation capital	793,000	1,061,134	801,648	259,486

City of Foley, Alabama
Other Supplementary Information
GENERAL FUND
SCHEDULE OF BUDGETARY COMPARISON - EXPENDITURES BY DEPARTMENT
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development				
Personnel	113,520	113,520	-	113,520
Operational	4,978,350	6,013,160	5,790,759	222,401
Total economic development personnel and operating expenditures	5,091,870	6,126,680	5,790,759	335,921
Debt Service:				
Principal	386,444	391,968	332,916	59,052
Interest	38,231	43,307	60,159	(16,852)
Total debt service expenditures	424,675	435,275	393,075	42,200
 Total city personnel and operating expenditures				
	55,928,312	57,828,424	53,943,003	3,885,421
Total city capital outlay	3,652,800	5,190,440	4,290,874	899,566
Total Expenditures	<u>\$ 60,005,787</u>	<u>\$ 63,454,139</u>	<u>\$ 58,626,952</u>	<u>\$ 4,827,187</u>

Non-major Governmental Funds

Special Revenue Funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes

Fire Department Ad Valorem – A county-wide one and one-half mill ad valorem tax is assessed and equally distributed to qualifying county volunteer fire departments, municipal fire departments, and volunteer municipal fire departments. The proceeds are restricted to the acquisition of fire trucks, fire stations, fire equipment, communications, fire training, fire vehicle and station insurance and repair, oil, gas, hydrants, and utilities.

State Gasoline Tax – State-shared fuel taxes and Inspection Fees are received and their use is restricted by both constitutional and statutory limitations.

Court Corrections Fund – In accordance with State Law, Ordinance 524-96 establishes a special court fee upon conviction to be used exclusively for the operation and maintenance of the municipal court complex and includes such expenses as salaries, office machines, and repairs.

Jail Corrections Fund – In accordance with State Law, Ordinance 524-96 establishes a special court fee upon conviction to be used exclusively for the operation and maintenance of the municipal jail and includes such expenses as salaries, office machines, and repairs.

Event Center Operations Fund - Includes revenues and expenses that are direct result of the operations of the event center.

Multi-Use Fields Operations Fund - Includes revenues and expenses that are direct result of the operations of the multi-use fields.

Impact Fee Fund - Includes revenues and expenses that are direct result of impact fees collected in accordance with City Ordinance.

Public Facilities Cooperative District - Includes revenues and expenses that are direct results of the operations of the district.

Public Athletic & Sports Facilities Cooperative District - Includes revenues and expenses that are direct results of the operations of the district.

Public Cultural & Entertainment Facilities Cooperative District - Includes revenues and expenses that are direct results of the operations of the district.

Debt Service Funds are used to account for the accumulation of resources to be used for payment of principal and interest on general long-term debt.

City of Foley, Alabama
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Non-Major Governmental Funds
ASSETS			
Cash	\$ 10,624,727	\$ 822,350	\$ 11,447,077
Receivables			
Property and advalorem tax	3,485	-	3,485
Sales and other local taxes	32,189	-	32,189
Other	269,017	-	269,017
Due from other funds	30,416	-	30,416
Total assets	<u>\$ 10,959,834</u>	<u>\$ 822,350</u>	<u>\$ 11,782,184</u>
LIABILITIES			
Accounts payable	\$ 128,573	\$ -	\$ 128,573
Due to other funds	444,419	-	444,419
Total liabilities	<u>572,992</u>	<u>-</u>	<u>572,992</u>
FUND BALANCES			
Restricted	7,979,889	822,350	8,802,239
Committed	2,406,953	-	2,406,953
Total fund balances	<u>10,386,842</u>	<u>822,350</u>	<u>11,209,192</u>
Total liabilities and fund balances	<u>\$ 10,959,834</u>	<u>\$ 822,350</u>	<u>\$ 11,782,184</u>

City of Foley, Alabama
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Non-Major Governmental Funds
Revenues			
Property and advalorem taxes	\$ 364,258	\$ -	\$ 364,258
Sales and other local taxes	285,388	-	285,388
Licenses and permits	1,058,476	-	1,058,476
Charges for services	63,799	-	63,799
Fines and forfeitures	49,399	-	49,399
Investment income and rents	412,169	44,266	456,435
Contributions and donations	92,347	-	92,347
Other	3,850,711	52,257	3,902,968
Total revenues	<u>6,176,547</u>	<u>96,523</u>	<u>6,273,070</u>
Expenditures			
Current:			
General government	73,345	-	73,345
Public safety	15	-	15
Highways and streets	297,952	-	297,952
Culture and recreation	790,210	-	790,210
Capital outlay	3,134,762	-	3,134,762
Debt service:			
Principal	1,782,837	2,130,611	3,913,448
Interest	425,826	1,494,165	1,919,991
Total expenditures	<u>6,504,947</u>	<u>3,624,776</u>	<u>10,129,723</u>
Excess (deficiency) of revenues over expenditures	<u>(328,400)</u>	<u>(3,528,253)</u>	<u>(3,856,653)</u>
Other financing sources (uses)			
Transfers in	2,939,897	3,368,841	6,308,738
Transfers out	(2,851,948)	(12,013,744)	(14,865,692)
Total other financing sources (uses)	<u>87,949</u>	<u>(8,644,903)</u>	<u>(8,556,954)</u>
Net change in fund balances	(240,451)	(12,173,156)	(12,413,607)
Fund balances, beginning of year, as previously reported			
Change from major fund to nonmajor fund	10,627,293	985,493	11,612,786
Fund balances, beginning of year, as adjusted	<u>-</u>	<u>12,010,013</u>	<u>12,010,013</u>
Fund balances, end of year	<u>\$ 10,386,842</u>	<u>\$ 822,350</u>	<u>\$ 11,209,192</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2025

	County Fire Ad Valorem Tax	State Gasoline Tax	Court Corrections	Jail Corrections	Event Center Operations	Multi-Use Fields Operations
ASSETS						
Cash	\$ 682,261	\$ 227,010	\$ 58,916	\$ 67,236	\$ 2,350	\$ 101
Receivables						
Property and advalorem tax	3,485	-	-	-	-	-
Sales and other local taxes	-	32,189	-	-	-	-
Other	-	-	-	1,127	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 685,746</u>	<u>\$ 259,199</u>	<u>\$ 58,916</u>	<u>\$ 68,363</u>	<u>\$ 2,350</u>	<u>\$ 101</u>
LIABILITIES						
Accounts payable	\$ -	\$ 39,715	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	3,340	-	-	-
Total liabilities	<u>-</u>	<u>39,715</u>	<u>3,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	685,746	219,484	55,576	68,363	-	-
Committed	-	-	-	-	2,350	101
Total fund balances	<u>685,746</u>	<u>219,484</u>	<u>55,576</u>	<u>68,363</u>	<u>2,350</u>	<u>101</u>
Total liabilities and fund balances	<u>\$ 685,746</u>	<u>\$ 259,199</u>	<u>\$ 58,916</u>	<u>\$ 68,363</u>	<u>\$ 2,350</u>	<u>\$ 101</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2025

	Impact Fees	Public Facilities Cooperative District	Public Athletic & Sports Facilities Cooperative District	Public Cultural & Entertainment Facilities Cooperative District	Total
ASSETS					
Cash	\$ 5,550,057	\$ 3,533,249	\$ 208,043	\$ 295,504	\$ 10,624,727
Receivables					
Property and advalorem tax	-	-	-	-	3,485
Sales and other local taxes	-	-	-	-	32,189
Other	-	235,832	5,947	26,111	269,017
Due from other funds	30,416	-	-	-	30,416
Total assets	<u>\$ 5,580,473</u>	<u>\$ 3,769,081</u>	<u>\$ 213,990</u>	<u>\$ 321,615</u>	<u>\$ 10,959,834</u>
LIABILITIES					
Accounts payable	\$ 88,858	\$ -	\$ -	\$ -	\$ 128,573
Due to other funds	-	339,306	12,986	88,787	444,419
Total liabilities	<u>88,858</u>	<u>339,306</u>	<u>12,986</u>	<u>88,787</u>	<u>572,992</u>
FUND BALANCES					
Restricted	5,491,615	1,025,571	200,893	232,641	7,979,889
Committed	-	2,404,204	111	187	2,406,953
Total fund balances	<u>5,491,615</u>	<u>3,429,775</u>	<u>201,004</u>	<u>232,828</u>	<u>10,386,842</u>
Total liabilities and fund balances	<u>\$ 5,580,473</u>	<u>\$ 3,769,081</u>	<u>\$ 213,990</u>	<u>\$ 321,615</u>	<u>\$ 10,959,834</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2025

	County Fire Ad Valorem Tax	State Gasoline Tax	Court Corrections	Jail Corrections	Event Center Operations	Multi-Use Fields Operations
Revenues						
Property and advalorem taxes	\$ 364,258	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and other local taxes	-	285,388	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	14,136	38,181	11,482
Fines and forfeitures	-	-	29,639	19,760	-	-
Investment income and rents	35,606	2,390	2,954	2,401	-	-
Contributions and donations	-	-	-	-	58,160	34,187
Other	-	-	-	-	-	-
Total revenues	<u>399,864</u>	<u>287,778</u>	<u>32,593</u>	<u>36,297</u>	<u>96,341</u>	<u>45,669</u>
Expenditures						
Current:						
General government	-	-	47,608	-	-	-
Public safety	15	-	-	-	-	-
Highways and streets	-	297,952	-	-	-	-
Culture and recreation	-	-	-	-	355,631	431,467
Capital outlay	544,947	-	-	-	-	-
Principal	-	-	-	7,837	-	-
Interest	-	-	-	403	-	-
Total expenditures	<u>544,962</u>	<u>297,952</u>	<u>47,608</u>	<u>8,240</u>	<u>355,631</u>	<u>431,467</u>
Net change in fund balances	<u>(145,098)</u>	<u>(10,174)</u>	<u>(15,015)</u>	<u>28,057</u>	<u>(259,290)</u>	<u>(385,798)</u>
Other financing sources:						
Transfers in	-	-	-	-	260,541	385,581
Transfers out	-	(200,000)	-	-	-	-
Total other financing sources	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>260,541</u>	<u>385,581</u>
Excess (deficiency) of revenues over expenditures	<u>(145,098)</u>	<u>(210,174)</u>	<u>(15,015)</u>	<u>28,057</u>	<u>1,251</u>	<u>(217)</u>
Fund balances, beginning of year	<u>830,844</u>	<u>429,658</u>	<u>70,591</u>	<u>40,306</u>	<u>1,099</u>	<u>318</u>
Fund balances, end of year	<u>\$ 685,746</u>	<u>\$ 219,484</u>	<u>\$ 55,576</u>	<u>\$ 68,363</u>	<u>\$ 2,350</u>	<u>\$ 101</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2025

	Impact Fees	Public Facilities Cooperative District	Public Athletic & Sports Facilities Cooperative District	Public Cultural & Entertainment Facilities Cooperative District	Total
Revenues					
Property and advalorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 364,258
Sales and other local taxes	-	-	-	-	285,388
Licenses and permits	1,058,476	-	-	-	1,058,476
Charges for services	-	-	-	-	63,799
Fines and forfeitures	-	-	-	-	49,399
Investment income and rents	259,032	96,251	2,693	10,842	412,169
Contributions and donations	-	-	-	-	92,347
Other	-	3,045,888	79,199	725,624	3,850,711
Total revenues	<u>1,317,508</u>	<u>3,142,139</u>	<u>81,892</u>	<u>736,466</u>	<u>6,176,547</u>
Expenditures					
Current:					
General government	-	25,737	-	-	73,345
Public safety	-	-	-	-	15
Highways and streets	-	-	-	-	297,952
Culture and recreation	-	-	1,564	1,548	790,210
Capital outlay	2,589,815	-	-	-	3,134,762
Principal	-	1,315,000	60,000	400,000	1,782,837
Interest	-	244,000	30,413	151,010	425,826
Total expenditures	<u>2,589,815</u>	<u>1,584,737</u>	<u>91,977</u>	<u>552,558</u>	<u>6,504,947</u>
Net change in fund balances	<u>(1,272,307)</u>	<u>1,557,402</u>	<u>(10,085)</u>	<u>183,908</u>	<u>(328,400)</u>
Other financing sources:					
Transfers in	-	1,500,908	252,138	540,729	2,939,897
Transfers out	-	(1,847,125)	(79,199)	(725,624)	(2,851,948)
Total other financing sources	<u>-</u>	<u>(346,217)</u>	<u>172,939</u>	<u>(184,895)</u>	<u>87,949</u>
Excess (deficiency) of revenues over expenditures	<u>(1,272,307)</u>	<u>1,211,185</u>	<u>162,854</u>	<u>(987)</u>	<u>(240,451)</u>
Fund balances, beginning of year	<u>6,763,922</u>	<u>2,218,590</u>	<u>38,150</u>	<u>233,815</u>	<u>10,627,293</u>
Fund balances, end of year	<u>\$ 5,491,615</u>	<u>\$ 3,429,775</u>	<u>\$ 201,004</u>	<u>\$ 232,828</u>	<u>\$ 10,386,842</u>

City of Foley, Alabama
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2025

	Energy Conservation Bonds Series 2013	General Obligation Warrants Series 2015	General Obligation Warrants Series 2019	General Obligation Warrants Series 2021	USDA Relending Program	Total
ASSETS						
Cash	\$ 133,744	\$ -	\$ 9,437	\$ 679,169	\$ -	\$ 822,350
Total assets	\$ 133,744	\$ -	\$ 9,437	\$ 679,169	\$ -	\$ 822,350
FUND BALANCE						
Restricted	\$ 133,744	\$ -	\$ 9,437	\$ 679,169	\$ -	\$ 822,350
Total fund balances	133,744	-	9,437	679,169	-	822,350
Total liabilities and fund balances	\$ 133,744	\$ -	\$ 9,437	\$ 679,169	\$ -	\$ 822,350

City of Foley, Alabama
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2025

	Energy Conservation Bonds Series 2013	General Obligation Warrants Series 2015	General Obligation Warrants Series 2019	General Obligation Warrants Series 2021	USDA Relending Program	Totals
Revenues						
Investment income and rents	\$ 4,296	\$ 7,596	\$ 1,802	\$ 26,841	\$ 3,731	\$ 44,266
Other	52,257	-	-	-	-	52,257
Total revenues	<u>56,553</u>	<u>7,596</u>	<u>1,802</u>	<u>26,841</u>	<u>3,731</u>	<u>96,523</u>
Expenditures						
Current						
Debt service:						
Principal	170,000	370,000	50,000	880,000	660,611	2,130,611
Interest	72,573	18,500	67,000	732,418	603,674	1,494,165
Total expenditures	<u>242,573</u>	<u>388,500</u>	<u>117,000</u>	<u>1,612,418</u>	<u>1,264,285</u>	<u>3,624,776</u>
Excess (deficiency) of revenues over expenditures	<u>(186,020)</u>	<u>(380,904)</u>	<u>(115,198)</u>	<u>(1,585,577)</u>	<u>(1,260,554)</u>	<u>(3,528,253)</u>
Other financing sources (uses)						
Transfers in	189,281	215,864	114,508	1,584,903	1,264,285	3,368,841
Transfers out	-	-	-	-	(12,013,744)	(12,013,744)
Total other financing sources (uses)	<u>189,281</u>	<u>215,864</u>	<u>114,508</u>	<u>1,584,903</u>	<u>(10,749,459)</u>	<u>(8,644,903)</u>
Net change in fund balances	3,261	(165,040)	(690)	(674)	(12,010,013)	(12,173,156)
Fund balances, beginning of year, as previously reported	130,483	165,040	10,127	679,843	-	985,493
Change from major fund to nonmajor fund	-	-	-	-	12,010,013	12,010,013
Fund balances, beginning of year, as adjusted	<u>130,483</u>	<u>165,040</u>	<u>10,127</u>	<u>679,843</u>	<u>12,010,013</u>	<u>12,995,506</u>
Fund balances, end of year	<u>\$ 133,744</u>	<u>\$ -</u>	<u>\$ 9,437</u>	<u>\$ 679,169</u>	<u>\$ -</u>	<u>\$ 822,350</u>

City of Foley, Alabama
COUNTY FIRE AD VALOREM TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 350,000	\$ 350,000	\$ 364,258	\$ 14,258
Investment income and rents	8,000	8,000	35,606	27,606
Total Revenue	358,000	358,000	399,864	41,864
Expenditures				
Public Safety				
Current:				
Operational	75,000	546,031	15	546,016
Capital	52,500	51,033	544,947	(493,914)
Total expenditures	127,500	597,064	544,962	52,102
Net change in fund balance	230,500	(239,064)	(145,098)	93,966
Fund balance, beginning of year	830,844	830,844	830,844	
Fund balance, end of year	\$ 1,061,344	\$ 591,780	\$ 685,746	\$ 93,966

City of Foley, Alabama
STATE GASOLINE TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales & local taxes	\$ 299,950	\$ 299,950	\$ 285,388	\$ (14,562)
Investment income and rents	1,000	1,000	2,390	1,390
Total Revenue	<u>300,950</u>	<u>300,950</u>	<u>287,778</u>	<u>(13,172)</u>
Expenditures				
Highways and streets				
Current:				
Operational	30,000	217,758	297,952	(80,194)
Total expenditures	<u>30,000</u>	<u>217,758</u>	<u>297,952</u>	<u>(80,194)</u>
Excess (deficiency) of revenues over expenditures	<u>270,950</u>	<u>83,192</u>	<u>(10,174)</u>	<u>(93,366)</u>
Other financing sources (uses)				
Transfers out	(150,000)	(150,000)	(200,000)	(50,000)
Total Other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(200,000)</u>	<u>(50,000)</u>
Net change in fund balance	120,950	(66,808)	(210,174)	(143,366)
Fund balance, beginning of year	429,658	429,658	429,658	
Fund balance, end of year	<u>\$ 550,608</u>	<u>\$ 362,850</u>	<u>\$ 219,484</u>	<u>\$ (143,366)</u>

City of Foley, Alabama
 COURT CORRECTIONS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fine & forfeitures	\$ 41,113	\$ 41,113	\$ 29,639	\$ (11,474)
Investment income and rents	1,000	1,000	2,954	1,954
Total Revenue	<u>42,113</u>	<u>42,113</u>	<u>32,593</u>	<u>(9,520)</u>
Expenditures				
General Government				
Current:				
Operational	65,661	65,661	47,608	18,053
Total expenditures	65,661	65,661	47,608	18,053
Net change in fund balance	(23,548)	(23,548)	(15,015)	8,533
Fund balance, beginning of year	70,591	70,591	70,591	
Fund balance, end of year	<u>\$ 47,043</u>	<u>\$ 47,043</u>	<u>\$ 55,576</u>	<u>\$ 8,533</u>

City of Foley, Alabama
 JAIL CORRECTIONS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 10,200	\$ 10,200	\$ 14,136	\$ 3,936
Fine & forfeitures	24,000	24,000	19,760	(4,240)
Investment income and rents	300	300	2,401	2,101
Total Revenue	<u>34,500</u>	<u>34,500</u>	<u>36,297</u>	<u>1,797</u>
Expenditures				
Debt Service:				
Principal	8,240	8,240	7,837	403
Interest	403	403	403	-
Total expenditures	<u>8,643</u>	<u>8,643</u>	<u>8,240</u>	<u>403</u>
Net change in fund balance	25,857	25,857	28,057	2,200
Fund balance, beginning of year	<u>40,306</u>	<u>40,306</u>	<u>40,306</u>	
Fund balance, end of year	<u>\$ 66,163</u>	<u>\$ 66,163</u>	<u>\$ 68,363</u>	<u>\$ 2,200</u>

City of Foley, Alabama
EVENT CENTER OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 32,300	\$ 32,300	\$ 38,181	\$ 5,881
Contributions and donations	40,000	40,000	58,160	18,160
Total Revenue	<u>72,300</u>	<u>72,300</u>	<u>96,341</u>	<u>24,041</u>
Expenditures				
Culture and recreation				
Current:				
Operational	462,800	459,800	355,631	104,169
Total expenditures	<u>462,800</u>	<u>459,800</u>	<u>355,631</u>	<u>104,169</u>
Excess (deficiency) of revenues over expenditures	<u>(390,500)</u>	<u>(387,500)</u>	<u>(259,290)</u>	<u>128,210</u>
Other financing sources (uses)				
Transfers in	390,500	390,500	260,541	(129,959)
Total Other financing sources (uses)	<u>390,500</u>	<u>390,500</u>	<u>260,541</u>	<u>(129,959)</u>
Net change in fund balance	-	3,000	1,251	(1,749)
Fund balance, beginning of year	1,099	1,099	1,099	
Fund balance, end of year	<u>\$ 1,099</u>	<u>\$ 4,099</u>	<u>\$ 2,350</u>	<u>\$ (1,749)</u>

City of Foley, Alabama
MULTI-USE FIELDS OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 9,000	\$ 9,000	\$ 11,482	\$ 2,482
Contributions and donations	18,000	18,000	34,187	16,187
Total Revenue	<u>27,000</u>	<u>27,000</u>	<u>45,669</u>	<u>18,669</u>
Expenditures				
Culture and recreation				
Current:				
Operational	430,000	447,000	431,467	15,533
Total expenditures	<u>430,000</u>	<u>447,000</u>	<u>431,467</u>	<u>15,533</u>
Excess (deficiency) of revenues over expenditures	<u>(403,000)</u>	<u>(420,000)</u>	<u>(385,798)</u>	<u>34,202</u>
Other financing sources (uses)				
Transfers in	403,000	403,000	385,581	(17,419)
Total Other financing sources (uses)	<u>403,000</u>	<u>403,000</u>	<u>385,581</u>	<u>(17,419)</u>
Net change in fund balance	-	(17,000)	(217)	16,783
Fund balance, beginning of year	318	318	318	
Fund balance, end of year	<u>\$ 318</u>	<u>\$ (16,682)</u>	<u>\$ 101</u>	<u>\$ 16,783</u>

City of Foley, Alabama
IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
License and permits	\$ 2,300,000	\$ 2,300,000	\$ 1,058,476	\$ (1,241,524)
Investment income and rents	25,000	25,000	259,032	234,032
Total Revenue	<u>2,325,000</u>	<u>2,325,000</u>	<u>1,317,508</u>	<u>(1,007,492)</u>
Expenditures				
Capital outlay	-	3,726,800	2,589,815	1,136,985
Total expenditures	-	3,726,800	2,589,815	1,136,985
Net change in fund balance	2,325,000	(1,401,800)	(1,272,307)	129,493
Fund balance, beginning of year	6,763,922	6,763,922	6,763,922	
Fund balance, end of year	<u>\$ 9,088,922</u>	<u>\$ 5,362,122</u>	<u>\$ 5,491,615</u>	<u>\$ 129,493</u>

City of Foley, Alabama
PUBLIC FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 75,000	\$ 75,000	\$ 96,251	\$ 21,251
Other	3,001,000	3,001,000	3,045,888	44,888
Total Revenue	<u>3,076,000</u>	<u>3,076,000</u>	<u>3,142,139</u>	<u>66,139</u>
Expenditures				
General Government				
Current:				
Operational	8,900	8,900	25,737	(16,837)
Debt Service:				
Principal	1,315,000	1,315,000	1,315,000	-
Interest	244,000	244,000	244,000	-
Total expenditures	<u>1,567,900</u>	<u>1,567,900</u>	<u>1,584,737</u>	<u>(16,837)</u>
Excess (deficiency) of revenues over expenditures	<u>1,508,100</u>	<u>1,508,100</u>	<u>1,557,402</u>	<u>49,302</u>
Other financing sources (uses)				
Transfers in	1,567,900	1,567,900	1,500,908	66,992
Transfers out	(1,763,500)	(1,763,500)	(1,847,125)	(83,625)
Total Other financing sources (uses)	<u>(195,600)</u>	<u>(195,600)</u>	<u>(346,217)</u>	<u>(16,633)</u>
Net change in fund balance	1,312,500	1,312,500	1,211,185	32,669
Fund balance, beginning of year	<u>2,218,590</u>	<u>2,218,590</u>	<u>2,218,590</u>	<u>2,218,590</u>
Fund balance, end of year	<u>\$ 3,531,090</u>	<u>\$ 3,531,090</u>	<u>\$ 3,429,775</u>	<u>\$ 32,669</u>

City of Foley, Alabama
PUBLIC ATHLETIC SPORTS FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Investment income and rents	\$ 1,000	\$ 1,000	\$ 2,693	\$ 1,693
Other	72,200	72,200	79,199	6,999
Total Revenue	<u>73,200</u>	<u>73,200</u>	<u>81,892</u>	<u>8,692</u>
Expenditures				
Culture and recreation				
Current:				
Operational	1,600	1,600	1,564	36
Debt Service:				
Principal	60,000	60,000	60,000	-
Interest	30,413	30,413	30,413	-
Total expenditures	<u>92,013</u>	<u>92,013</u>	<u>91,977</u>	<u>36</u>
Excess (deficiency) of revenues over expenditures	<u>(18,813)</u>	<u>(18,813)</u>	<u>(10,085)</u>	<u>8,728</u>
Other financing sources (uses)				
Transfers in	253,762	253,762	252,138	1,624
Transfers out	(72,200)	(72,200)	(79,199)	(6,999)
Total Other financing sources (uses)	<u>181,562</u>	<u>181,562</u>	<u>172,939</u>	<u>(5,375)</u>
Net change in fund balance	162,749	162,749	162,854	3,353
Fund balance, beginning of year	38,150	38,150	38,150	
Fund balance, end of year	<u>\$ 200,899</u>	<u>\$ 200,899</u>	<u>\$ 201,004</u>	<u>\$ 3,353</u>

City of Foley, Alabama
PUBLIC CULTURAL ENTERTAINMENT FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 10,000	\$ 10,000	\$ 10,842	\$ 842
Other	830,000	830,000	725,624	(104,376)
Total Revenue	<u>840,000</u>	<u>840,000</u>	<u>736,466</u>	<u>(103,534)</u>
Expenditures				
Culture and recreation				
Current:				
Operational	1,700	1,700	1,548	152
Debt Service:				
Principal	400,000	400,000	400,000	-
Interest	151,010	151,010	151,010	-
Total expenditures	<u>552,710</u>	<u>552,710</u>	<u>552,558</u>	<u>152</u>
Excess (deficiency) of revenues over expenditures	<u>287,290</u>	<u>287,290</u>	<u>183,908</u>	<u>(103,382)</u>
Other financing sources (uses)				
Transfers in	552,710	552,710	540,729	11,981
Transfers out	(830,000)	(830,000)	(725,624)	104,376
Total Other financing sources (uses)	<u>(277,290)</u>	<u>(277,290)</u>	<u>(184,895)</u>	<u>116,357</u>
Net change in fund balance	10,000	10,000	(987)	12,975
Fund balance, beginning of year	<u>233,815</u>	<u>233,815</u>	<u>233,815</u>	<u>233,815</u>
Fund balance, end of year	<u>\$ 243,815</u>	<u>\$ 243,815</u>	<u>\$ 232,828</u>	<u>\$ 12,975</u>

City of Foley, Alabama
 ENRGY CONSERVATION BONDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 5,000	\$ 5,000	\$ 4,296	\$ (704)
Other	54,980	54,980	52,257	(2,723)
Total Revenue	<u>59,980</u>	<u>59,980</u>	<u>56,553</u>	<u>(3,427)</u>
Expenditures				
Debt Service:				
Principal	170,000	170,000	170,000	-
Interest	78,542	78,542	72,573	5,969
Total expenditures	<u>248,542</u>	<u>248,542</u>	<u>242,573</u>	<u>5,969</u>
Excess (deficiency) of revenues over expenditures	<u>(188,562)</u>	<u>(188,562)</u>	<u>(186,020)</u>	<u>2,542</u>
Other financing sources (uses)				
Transfers in	191,215	191,215	189,281	1,934
Total Other financing sources (uses)	<u>191,215</u>	<u>191,215</u>	<u>189,281</u>	<u>1,934</u>
Net change in fund balance	2,653	2,653	3,261	608
Fund balance, beginning of year	<u>130,483</u>	<u>130,483</u>	<u>130,483</u>	
Fund balance, end of year	<u>\$ 133,136</u>	<u>\$ 133,136</u>	<u>\$ 133,744</u>	<u>\$ 608</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2015
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 5,000	\$ 5,000	\$ 7,596	\$ 2,596
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>7,596</u>	<u>2,596</u>
Expenditures				
Debt Service:				
Principal	370,000	370,000	370,000	-
Interest	18,500	18,500	18,500	-
Total expenditures	<u>388,500</u>	<u>388,500</u>	<u>388,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(383,500)</u>	<u>(383,500)</u>	<u>(380,904)</u>	<u>2,596</u>
Other financing sources (uses)				
Transfers in	226,625	226,625	215,864	10,761
Total Other financing sources (uses)	<u>226,625</u>	<u>226,625</u>	<u>215,864</u>	<u>10,761</u>
Net change in fund balance	(156,875)	(156,875)	(165,040)	(8,165)
Fund balance, beginning of year	165,040	165,040	165,040	
Fund balance, end of year	<u>\$ 8,165</u>	<u>\$ 8,165</u>	<u>\$ -</u>	<u>\$ (8,165)</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2019
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 2,000	\$ 2,000	\$ 1,802	\$ (198)
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>1,802</u>	<u>(198)</u>
Expenditures				
Debt Service:				
Principal	50,000	50,000	50,000	-
Interest	67,000	67,000	67,000	-
Total expenditures	<u>117,000</u>	<u>117,000</u>	<u>117,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,198)</u>	<u>(198)</u>
Other financing sources (uses)				
Transfers in	116,417	116,417	114,508	1,909
Total Other financing sources (uses)	<u>116,417</u>	<u>116,417</u>	<u>114,508</u>	<u>1,909</u>
Net change in fund balance	1,417	1,417	(690)	(2,107)
Fund balance, beginning of year	10,127	10,127	10,127	
Fund balance, end of year	<u>\$ 11,544</u>	<u>\$ 11,544</u>	<u>\$ 9,437</u>	<u>\$ (2,107)</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2021
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 18,000	\$ 18,000	\$ 26,841	\$ 8,841
Total Revenue	<u>18,000</u>	<u>18,000</u>	<u>26,841</u>	<u>8,841</u>
Expenditures				
Debt Service:				
Principal	880,000	880,000	880,000	-
Interest	732,418	732,418	732,418	-
Total expenditures	<u>1,612,418</u>	<u>1,612,418</u>	<u>1,612,418</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,594,418)</u>	<u>(1,594,418)</u>	<u>(1,585,577)</u>	<u>8,841</u>
Other financing sources (uses)				
Transfers in	1,611,152	1,611,152	1,584,903	26,249
Total Other financing sources (uses)	<u>1,611,152</u>	<u>1,611,152</u>	<u>1,584,903</u>	<u>26,249</u>
Net change in fund balance	16,734	16,734	(674)	(17,408)
Fund balance, beginning of year	<u>679,843</u>	<u>679,843</u>	<u>679,843</u>	<u>679,843</u>
Fund balance, end of year	<u>\$ 696,577</u>	<u>\$ 696,577</u>	<u>\$ 679,169</u>	<u>\$ (17,408)</u>

City of Foley, Alabama
 USDA RELENDING PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For fiscal year ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income and rents	\$ 4,000	\$ 4,000	\$ 3,731	\$ (269)
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>3,731</u>	<u>(269)</u>
Expenditures				
Debt Service:				
Principal	664,966	664,966	660,611	4,355
Interest	699,321	699,321	603,674	95,647
Total expenditures	<u>1,364,287</u>	<u>1,364,287</u>	<u>1,264,285</u>	<u>100,002</u>
Excess (deficiency) of revenues over expenditures	<u>(1,360,287)</u>	<u>(1,360,287)</u>	<u>(1,260,554)</u>	<u>99,733</u>
Other financing sources (uses)				
Transfers in	1,264,286	1,264,286	1,264,285	1
Transfers out	(6,177,258)	(12,014,062)	(12,013,744)	(318)
Total Other financing sources (uses)	<u>(4,912,972)</u>	<u>(10,749,776)</u>	<u>(10,749,459)</u>	<u>(317)</u>
Net change in fund balance	(6,273,259)	(12,110,063)	(12,010,013)	100,050
Fund balance, beginning of year	12,010,013	12,010,013	12,010,013	
Fund balance, end of year	<u>\$ 5,736,754</u>	<u>\$ (100,050)</u>	<u>\$ -</u>	<u>\$ 100,050</u>

City of Foley, Alabama
SCHEDULE OF CONSTRUCTION IN PROGRESS
As of September 30, 2025

	Balance 9/30/2024	Additions	Transfers and Adjustments	Balance 9/30/2025
GOVERNMENTAL ACTIVITIES				
Police Vehicles	\$ 424,215	\$ 784,713	\$ 606,155	\$ 602,773
Pickleball Court (Impact Fee)	364,933	990,544	1,355,477	-
Mills Park Improvements (Impact Fee)	38,950	156,500	-	195,450
Sand VolleyBall (Impact Fee)	27,290	1,442,771	1,470,061	-
Land Purchase	-	5,000	-	5,000
City Hall Renovations	-	172,913	-	172,913
Finance Building	-	576,257	-	576,257
Public Works Campus	5,336,812	7,399,779	-	12,736,591
Airport Apron Rehab	-	32,320	-	32,320
T-Hangars & Access Taxilane	1,356,428	40,730	1,397,158	-
Airport Terminal Building	-	29,475	-	29,475
Airport Impv-Lightning Supression	18,450	3,500	21,950	-
Public Safety System Impv	42,554	59,654	102,208	-
Nexedge Radio System Site	-	2,400	-	2,400
HMGP Fire Station I Impv	35,875	-	-	35,875
Training Center Renovations	-	5,900	-	5,900
Fire Station 1 Improvements	-	36,234	-	36,234
Wolf Creek Headwater Renovations	447,660	70,064	466,560	51,164
Beulah Heights Regional Drainage	64,316	87,139	-	151,455
South Pilgrim (City Constructed)	43,340	228,037	-	271,377
Jessamine (City Constructed)	101,390	423,575	524,965	-
Horse Areal (City Constructed)	-	84,450	-	84,450
East Verbena (City Constructed)	-	107,900	-	107,900
Cedar Street Sidewalks	98,830	172,000	211,037	59,793
Peachtree Sidewalks	75,750	-	-	75,750
Drainage Improvements -Meadow Run	122,662	-	122,662	-
Drainage Improvements -Magnolia River	297,349	100,301	397,650	-
Drainage Improvements -Verbena	40,244	19,657	59,901	-
Drainage Impv-Parkwood	18,890	-	18,890	-
Parking Lot Improvements	-	26,066	-	26,066
Streetscape Improvement	48,015	11,650	59,665	-
Peteet Building Improvement	31,252	-	31,252	-
Traffic Safety Project	8,000	-	8,000	-
Juniper St South Extension	5,019,231	77,036	5,096,266	-
Rose Trail/Centennail Fountain	768,801	540	769,341	-
Miflin Rd Access Management	201,285	327	-	201,612
HSIP - Low Cost Safety Improvements	6,598	-	6,598	-
TAP 9th Ave & S. Pine St	1,122,911	112,179	1,235,090	-
Intersection Improvements	113,601	10,400	-	124,000
Intersection Impv-Michigan & Cedar	58,800	114,800	-	173,600
Intersection Impv-Michigan & Juniper	60,950	24,500	-	85,450
Intersection Impv-Azalea & Juniper	18,350	-	-	18,350
Fern Ave @ Hwy 59 Impv	66,454	6,775	-	73,229
Philomene Holmes Improvement	1,397,032	380,652	1,777,684	-
East Verbena Ave	142,626	45,044	-	187,670
Street Capital Improvements - verbena	1,836	-	-	1,836
Potential SE Quad Road	70,409	-	70,409	-
East Pride Blvd Lighting	321,511	20,606	342,117	-
East Bullard Ave Extension	70,200	3,300	-	73,500
Pedestrian Path Mills	107,100	21,426	-	128,526
New Symbol Building	28,517	405,804	434,321	-

City of Foley, Alabama
SCHEDULE OF CONSTRUCTION IN PROGRESS
As of September 30, 2025

	Balance 9/30/2024	Additions	Transfers and Adjustments	Balance 9/30/2025
Outdoor Decorative Lightings	-	17,760	-	17,760
Park Ave Calming	29,938	117,161	-	147,098
School Crosswalk Impv	19,158	-	-	19,158
HSIP Hwy 98 Ped Improvements	-	29,087	-	29,087
Chicago St Impv	-	58,850	-	58,850
James Rd Extension	-	102,250	-	102,250
Armory Renovations	78,013	979,407	-	1,057,420
CAFFM Commercial Kitchen	47,500	582	-	48,082
Heritage Park Improvements	45,487	400,483	445,970	-
New Library	962,023	9,730,992	-	10,693,015
Aaronville Park Impv	4,046	91,176	-	95,222
Multipurpose Fields Hwy 98	533,671	635,601	1,169,272	-
Sportsplex Ditch Improvement	-	-	-	-
Pickleball Raod	266,413	162,489	428,902	-
Aquatics Center	10,500	-	-	10,500
Mathis Park Improvements	136,582	1,340	137,922	-
Max Griffin Park Impv	-	312	-	312
Me Roberts Park Improvements	1,199,629	34,873	-	1,234,502
Beulah Park Bathroom	210,716	397,726	608,442	-
Event Center Sign	20,515	27,564	48,079	-
MU Fields Bathroom	1,800	-	-	1,800
FST Fields Pave parking lot	44,000	-	-	44,000
MU Fields Pole Barn	22,910	20,460	43,370	-
Office/Facility Building	6,000	-	-	6,000
Main St Branding	19,359	41,580	-	60,939
New Comfort Station	457,586	87,985	545,571	-
Maint St Alley Project	32,417	48,345	-	80,762
Wolf Creek Park Improvements	10,880	55,170	66,050	-
GOMESA - land expansion	198,450	5,300	-	203,750
Wolf Creek Park Amenities	184,406	79,682	-	264,088
GCNP Pavillions	59,233	29,517	-	88,750
AJ Wetland Reserve Impv	-	14,097	-	14,097
Schreiber Trail at Wolf Creek	-	18,375	-	18,375
Leslie & Mike's Monarch Conservatory	-	3,080	-	3,080
HMPG Safe Room	71,181	107,088	-	178,269
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 23,291,827</u>	<u>\$ 27,591,250</u>	<u>\$ 20,078,995</u>	<u>\$ 30,804,082</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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STATISTICAL SECTION

(UNAUDITED)

The following statistical tables, which are an integral part of the City of Foley's Annual Comprehensive Financial Report, offer detailed information to assist the reader in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial well-being. In the event historical data was unavailable, the data is omitted and replaced with an asterisk (*).

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information

These schedules provide the reader with an understanding of the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

CITY OF FOLEY, ALABAMA
Net Position by Component
Last Ten Fiscal Years
(accrued basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net invested in capital assets	\$ 177,832,405	\$ 157,849,429	\$ 141,483,796	\$ 130,444,657	\$ 116,735,902	\$ 111,651,872	\$ 107,589,228	\$ 98,292,183	\$ 93,824,140	\$ 90,333,519
Restricted For:										
Capital projects	-	-	-	-	-	-	-	-	2,647	13,167,956
Debt service	2,281,455	2,414,722	2,388,940	2,330,105	2,149,633	2,496,058	2,396,552	2,800,940	3,061,057	3,353,850
Other purposes	7,130,104	8,782,315	4,457,236	2,742,422	1,449,844	1,709,994	1,497,094	1,778,120	1,174,804	1,535,093
Unrestricted	46,991,620	53,013,227	56,533,735	43,056,698	21,902,120	13,384,935	10,452,517	8,004,336	5,558,641	(8,813,490)
Total governmental activities net position	<u>\$ 234,235,584</u>	<u>\$ 222,059,693</u>	<u>\$ 204,863,707</u>	<u>\$ 178,573,882</u>	<u>\$ 142,237,499</u>	<u>\$ 129,242,859</u>	<u>\$ 121,935,391</u>	<u>\$ 110,875,579</u>	<u>\$ 103,621,289</u>	<u>\$ 99,576,928</u>
Business-Type Activities										
Net invested in capital assets	\$ 3,059,964	\$ 2,856,250	\$ 2,477,580	\$ 2,303,336	\$ 6,461,356	\$ (920,677)	\$ (1,077,397)	\$ (863,808)	\$ (647,469)	\$ (400,188)
Restricted For:										
Other purposes	-	-	-	-	-	19,380	43,313	66,931	90,620	114,403
Unrestricted	(270,805)	(194,715)	(564,038)	(953,775)	280,688	211,954	200,168	293,040	188,811	70,117
Total business-type activities net position	<u>\$ 2,789,159</u>	<u>\$ 2,661,535</u>	<u>\$ 1,913,542</u>	<u>\$ 1,349,561</u>	<u>\$ 6,742,044</u>	<u>\$ (689,343)</u>	<u>\$ (833,916)</u>	<u>\$ (503,837)</u>	<u>\$ (368,038)</u>	<u>\$ (215,668)</u>
Primary Government										
Net invested in capital assets	\$ 180,892,369	\$ 160,705,679	\$ 143,961,376	\$ 132,747,993	\$ 123,197,258	\$ 110,731,195	\$ 106,511,831	\$ 97,428,375	\$ 93,176,671	\$ 89,933,331
Restricted For:										
Capital projects	-	-	-	-	-	-	-	-	2,647	13,167,956
Debt service	2,281,455	2,414,722	2,388,940	2,330,105	2,149,633	2,496,058	2,396,552	2,800,940	3,061,057	3,353,850
Other purposes	7,130,104	8,782,315	4,457,236	2,742,422	1,449,844	1,729,374	1,540,407	1,845,051	1,265,424	1,649,496
Unrestricted	46,720,815	52,818,512	55,969,697	42,102,923	22,182,808	13,596,889	10,652,685	8,297,376	5,747,452	(8,743,373)
Total primary government net position	<u>\$ 237,024,743</u>	<u>\$ 224,721,228</u>	<u>\$ 206,777,249</u>	<u>\$ 179,923,443</u>	<u>\$ 148,979,543</u>	<u>\$ 128,553,516</u>	<u>\$ 121,101,475</u>	<u>\$ 110,371,742</u>	<u>\$ 103,253,251</u>	<u>\$ 99,361,260</u>

Sources: City Finance Division

CITY OF FOLEY, ALABAMA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program/Function Activities										
Governmental Activities:										
General government	\$ 11,122,261	\$ 14,014,941	\$ 11,401,430	\$ 11,508,118	\$ 19,462,177	\$ 10,335,537	\$ 6,770,564	\$ 6,897,544	\$ 6,570,618	\$ 6,309,843
Public safety	22,540,547	20,570,783	18,357,162	16,532,713	15,000,787	14,457,671	13,898,543	13,058,911	12,492,542	12,136,287
Highways and streets	14,393,719	13,355,418	7,471,796	7,993,485	6,342,022	6,628,418	6,124,409	5,426,492	5,507,306	4,411,736
Sanitation	-	-	-	-	2,742,933	2,657,082	2,445,165	2,255,624	2,393,502	2,347,410
Culture and recreation	14,731,325	13,714,114	11,123,636	10,655,255	9,696,700	8,959,094	9,778,699	9,408,900	7,701,908	6,429,296
Economic development	5,790,759	7,885,215	2,802,443	1,819,149	2,506,397	1,723,683	1,737,324	2,052,703	2,114,470	1,318,184
Interest on long-term debt	1,951,729	2,054,911	2,064,171	1,601,717	2,288,528	2,360,056	2,601,830	2,670,228	2,620,665	3,224,877
Total Governmental Activities Expense	70,530,340	71,595,382	53,220,638	50,110,437	58,039,544	47,121,541	43,356,534	41,770,402	39,401,011	36,177,633
Business-Type Activities										
Sanitation Fund	4,397,129	3,521,075	3,376,275	3,703,211	-	-	-	-	-	-
CAFFM, Inc.	-	-	-	957,380	630,228	697,673	820,686	587,864	593,236	634,016
Total Business-Type Activities Expense	4,397,129	3,521,075	3,376,275	4,660,591	630,228	697,673	820,686	587,864	593,236	634,016
Total Primary Government Expense	74,927,469	75,116,457	56,596,913	54,771,028	58,669,772	47,819,214	44,177,220	42,358,266	39,994,247	36,811,649
Program/Function Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 15,738,620	\$ 14,187,793	\$ 13,397,691	\$ 12,691,882	\$ 3,722,894	\$ 3,411,513	\$ 3,330,790	\$ 3,307,034	\$ 2,703,584	\$ 2,233,406
Public safety	1,753,186	4,310,757	2,918,199	2,427,023	2,041,098	1,596,617	1,110,118	1,337,483	1,866,349	1,281,186
Highways and streets	302,521	817,914	441,385	388,020	67,873	11,500	16,350	13,959	-	-
Sanitation ***	-	-	-	-	3,056,468	2,825,171	2,411,491	2,208,239	2,141,518	2,055,611
Culture and recreation	1,868,970	4,229,549	2,415,571	2,077,930	809,606	265,274	595,082	479,136	537,390	505,226
Economic development	-	-	-	-	-	-	-	-	34,504	167,578
Operating grants and contributions	943,494	4,259,757	508,456	2,256,020	11,154,406	939,614	600,928	552,756	845,617	546,798
Capital Grants and Contributions	7,194,271	5,048,720	5,583,636	10,131,575	3,226,090	3,468,332	5,139,991	2,854,034	4,981,652	10,043,137
Total Program Revenues - Government Activities	27,801,062	32,854,490	25,264,938	29,972,450	24,078,435	12,518,021	13,204,750	10,752,641	13,110,614	16,832,942
Program/Function Revenues										
Business-Type Activities:										
Charges for services										
Sanitation Fund ***	4,600,594	4,269,068	3,940,256	3,836,822	-	-	-	-	-	-
CAFFM, Inc.	-	-	-	109,480	428,892	782,273	429,792	407,126	369,006	287,686
Operating grants and contributions	-	-	-	-	65	-	-	-	22,200	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	32,712
Total Program Revenues - Business-Type Activities	4,600,594	4,269,068	3,940,256	3,946,302	428,957	782,273	429,792	407,126	391,206	320,398
Total Primary Government Program Revenues	\$ 32,401,656	\$ 37,123,558	\$ 29,205,194	\$ 33,918,752	\$ 24,507,392	\$ 13,300,294	\$ 13,634,542	\$ 11,159,767	\$ 13,501,820	\$ 17,153,340

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CITY OF FOLEY, ALABAMA
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Net (Expense)/Revenue										
Governmental Activities	\$ (42,729,278)	\$ (38,740,892)	\$ (27,955,700)	\$ (20,137,987)	\$ (33,961,109)	\$ (34,603,520)	\$ (30,151,784)	\$ (31,017,761)	\$ (26,290,397)	\$ (19,344,691)
Business-Type Activities:	203,465	747,993	563,981	(714,289)	(201,271)	84,600	(390,894)	(180,738)	(202,030)	(313,618)
Total Primary Government Net (Expense)/Revenue	\$ (42,525,813)	\$ (37,992,899)	\$ (27,391,719)	\$ (20,852,276)	\$ (34,162,380)	\$ (34,518,920)	\$ (30,542,678)	\$ (31,198,499)	\$ (26,492,427)	\$ (19,658,309)
General Revenues										
Governmental Activities										
Property taxes	\$ 3,869,582	\$ 3,446,472	\$ 2,763,824	\$ 2,366,203	\$ 2,152,218	\$ 1,880,124	\$ 1,765,580	\$ 1,711,873	\$ 1,625,209	\$ 1,539,905
Sales and other local taxes	44,975,673	45,477,378	44,295,497	41,790,227	38,722,433	29,555,402	28,958,941	26,646,096	22,257,234	16,365,312
Utility tax equivalents *	-	-	-	-	7,944,312	7,692,940	7,410,006	7,053,060	6,796,594	6,499,737
Investment income (loss)	3,111,415	2,581,441	1,678,360	(65,918)	81,925	127,441	181,192	152,174	114,659	86,185
Other	5,183,034	4,431,587	5,159,561	7,202,534	4,055,885	2,561,847	2,799,448	2,599,630	1,456,376	1,431,368
Franchise fees **	-	-	348,283	307,403	148,097	152,738	155,933	153,846	147,880	138,547
Transfers	-	-	-	4,702,665	(14,876)	(59,504)	(59,504)	(44,628)	(44,628)	(59,504)
Special Items-NMTC unwind	-	-	-	-	(5,962,989)	-	-	-	-	-
Total general revenues - Government Activities	\$ 57,139,704	\$ 55,936,878	\$ 54,245,525	\$ 56,303,114	\$ 47,127,005	\$ 41,910,988	\$ 41,211,596	\$ 38,272,051	\$ 32,353,324	\$ 26,001,550
General Revenues										
Business-Type Activities										
Investment income (loss)	\$ -	\$ -	\$ -	\$ 404	\$ 808	\$ 469	\$ 382	\$ 311	\$ 216	\$ 215
Other	-	-	-	24,067	50	-	929	-	4,816	3,649
Transfers	-	-	-	(4,702,665)	14,876	59,504	59,504	44,628	44,628	59,504
Special Items										
NMTC write off loan cost	-	-	-	-	(383,076)	-	-	-	-	-
NMTC unwind	-	-	-	-	8,000,000	-	-	-	-	-
Total general revenues - Business-Type Activities	\$ -	\$ -	\$ -	\$ (4,678,194)	\$ 7,632,658	\$ 59,973	\$ 60,815	\$ 44,939	\$ 49,660	\$ 63,368
Total Primary Government General Revenues	\$ 57,139,704	\$ 55,936,878	\$ 54,245,525	\$ 51,624,920	\$ 54,759,663	\$ 41,970,961	\$ 41,272,411	\$ 38,316,990	\$ 32,402,984	\$ 26,064,918
Changes in Net Position										
Governmental Activities	\$ 14,410,426	\$ 17,195,986	\$ 26,289,825	\$ 36,165,127	\$ 13,165,896	\$ 7,307,468	\$ 11,059,812	\$ 7,254,290	\$ 6,062,927	\$ 6,656,859
Business-Type Activities	203,465	747,993	563,981	(5,392,483)	7,431,387	144,573	(330,079)	(135,799)	(152,370)	(250,250)
Total Primary Government	\$ 14,613,891	\$ 17,943,979	\$ 26,853,806	\$ 30,772,644	\$ 20,597,283	\$ 7,452,041	\$ 10,729,733	\$ 7,118,491	\$ 5,910,557	\$ 6,406,609

Source: City Finance Division

* Beginning Fiscal Year 2022, Utility tax equivalents are reported under general government charges for services.

** Beginning Fiscal Year 2024, Franchise Fees are reported under general government charges for service.

*** Beginning Fiscal Year 2022, all sanitation revenue and expenses are reported in the BTA, Sanitation Fund.

CITY OF FOLEY, ALABAMA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 285,551	\$ 322,997	\$ 351,294	\$ 379,342	\$ 5,853,668	\$ 5,853,668	\$ 5,898,837	\$ 5,796,468	\$ 5,822,962	\$ 5,770,035
Restricted	609,320	646,994	586,868	565,366	372,340	372,340	341,572	463,333	410,953	320,947
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	360,763	343,423	435,422	387,265	842,041	842,041	819,864	789,941	552,434	546,767
Unassigned	63,047,851	68,001,787	68,245,073	53,209,359	17,041,142	17,041,142	13,056,651	11,514,771	8,716,303	3,147,862
Total General Fund	<u>\$ 64,303,485</u>	<u>\$ 69,315,201</u>	<u>\$ 69,618,657</u>	<u>\$ 54,541,332</u>	<u>\$ 24,109,191</u>	<u>\$ 24,109,191</u>	<u>\$ 20,116,924</u>	<u>\$ 18,564,513</u>	<u>\$ 15,502,652</u>	<u>\$ 9,785,611</u>
All other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 592,261	\$ 592,261	\$ -	\$ -	\$ 507,277	\$ -	\$ 379,821	\$ 817,761
Restricted	8,802,239	22,560,056	23,169,728	4,507,161	3,833,712	3,833,712	3,552,074	4,115,727	3,827,555	17,735,952
Committed	2,406,953	1,062,743	1,582,978	1,295,692	103,164	103,164	397,892	1,024,134	768,672	1,605,439
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(914,321)	(1,110,120)	(462,545)	(152,374)	92,429	92,429	54,624	(252,477)	-	(22,086)
Total all Other Gvnm. Funds	<u>\$ 10,294,871</u>	<u>\$ 22,512,679</u>	<u>\$ 24,882,422</u>	<u>\$ 6,242,740</u>	<u>\$ 4,029,305</u>	<u>\$ 4,029,305</u>	<u>\$ 4,511,867</u>	<u>\$ 4,887,384</u>	<u>\$ 4,976,048</u>	<u>\$ 20,137,066</u>
Total Governmental Funds	<u>\$ 74,598,356</u>	<u>\$ 91,827,880</u>	<u>\$ 94,501,079</u>	<u>\$ 60,784,072</u>	<u>\$ 28,138,496</u>	<u>\$ 28,138,496</u>	<u>\$ 24,628,791</u>	<u>\$ 23,451,897</u>	<u>\$ 20,478,700</u>	<u>\$ 29,922,677</u>

Source: City Finance Division

CITY OF FOLEY, ALABAMA
Changes In Fund Balances Of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Property and advalorem taxes	\$ 3,869,582	\$ 3,446,472	\$ 2,763,824	\$ 2,366,203	\$ 2,152,218	\$ 1,880,124	\$ 1,765,580	\$ 1,711,873	\$ 1,625,209	\$ 1,539,905
Sales and other local taxes	44,975,673	45,477,378	44,295,497	41,790,227	38,722,433	29,555,402	28,958,941	26,646,096	22,405,114	16,491,205
Licenses and permits	7,221,493	11,929,728	8,544,209	7,496,885	5,024,902	4,229,647	3,616,461	3,828,883	3,720,477	2,705,953
Intergovernmental	6,012,411	5,718,108	1,768,774	11,311,609	14,309,809	3,339,731	3,568,471	2,313,245	3,132,314	9,235,106
Charges for services **	980,289	876,347	861,555	746,633	3,611,629	3,085,966	2,967,859	2,645,941	2,570,615	2,514,568
Fines and forfeitures	863,469	953,430	687,769	691,757	646,942	556,795	614,964	584,494	646,292	641,976
Utility tax equivalents	10,112,612	9,251,020	9,065,042	8,527,951	8,092,409	7,845,678	7,565,939	7,206,906	6,796,594	6,499,737
Investment income (loss)	3,111,415	2,581,441	1,678,360	(65,918)	81,924	127,441	181,192	152,174	114,659	86,185
Contributions and donations	186,621	236,885	140,488	136,024	78,673	87,306	879,261	789,317	230,806	114,862
Other *	4,582,131	4,264,202	5,134,648	6,287,750	4,491,779	2,746,410	2,844,280	2,603,155	1,444,874	1,478,250
Rental income	485,434	456,363	362,556	331,131	339,467	237,667	264,547	286,533	278,688	369,451
Total Revenues	82,401,130	85,191,374	75,302,722	79,620,252	77,552,185	53,692,167	53,227,495	48,768,617	42,965,642	41,677,198
Expenditures										
Current:										
General government	10,428,710	9,940,779	9,612,125	7,913,178	18,649,397	9,502,083	5,968,544	6,037,041	5,636,357	5,397,282
Public safety	20,805,024	18,183,505	16,067,692	15,063,344	13,759,008	13,231,013	12,838,863	11,995,342	11,404,151	11,238,760
Highways and streets	11,900,367	11,075,608	5,676,677	5,406,730	3,362,446	3,702,125	3,234,873	2,926,279	3,097,595	2,343,121
Sanitation **	-	-	-	-	2,438,315	2,339,768	2,210,000	2,053,143	2,208,683	2,132,864
Culture and recreation	12,300,550	11,065,282	9,249,147	8,340,557	7,460,019	6,660,423	7,610,962	7,255,457	6,094,701	5,538,955
Economic development	5,790,759	7,885,215	2,802,443	1,819,149	2,506,397	1,723,683	1,737,324	2,048,752	2,101,714	1,314,462
Debt Service:										
Principal	4,246,364	4,184,550	3,832,979	2,860,366	7,395,380	3,802,138	4,978,064	4,704,499	4,122,542	3,754,343
Interest	1,980,150	2,086,992	2,021,547	1,607,602	2,118,093	2,349,377	2,536,588	2,679,534	2,755,695	2,452,056
Bond issuance cost	-	-	49,500	-	418,667	12,052	110,139	25,641	31,995	410,055
Capital Outlay	33,245,456	25,108,985	12,288,548	17,140,719	8,079,636	6,800,296	10,157,906	6,768,709	18,028,847	29,573,346
Total Expenditures	100,697,380	89,530,916	61,600,658	60,151,645	66,187,358	50,122,958	51,383,263	46,494,397	55,482,280	64,155,244
Excess (deficiency) of revenues over expenditures	\$ (18,296,250)	\$ (4,339,542)	\$ 13,702,064	\$ 19,468,607	\$ 11,364,827	\$ 3,569,209	\$ 1,844,232	\$ 2,274,220	\$ (12,516,638)	\$ (22,478,046)

(continued on next page)

CITY OF FOLEY, ALABAMA
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Other financing sources (uses)										
Transfers in	48,766,396	37,201,691	19,800,741	19,256,374	50,500,806	11,000,713	22,993,661	14,414,569	12,564,628	14,643,434
Transfers out	(48,766,396)	(37,201,691)	(19,800,741)	(16,397,399)	(50,515,682)	(11,060,217)	(23,053,165)	(14,459,197)	(12,609,256)	(14,702,938)
Issuance of bonded debt	-	-	18,000,000	-	32,935,000	-	-	500,000	1,000,000	24,450,000
Bond premium	-	-	-	-	121,354	-	658,543	-	-	1,732,359
Payment to refunded bond escrow	-	-	-	-	(32,923,291)	-	(6,171,377)	-	-	(9,810,412)
Capital leases	-	-	-	-	129,074	-	-	-	32,031	96,935
SBITA financing agreements	-	1,314,709	1,422,090	-	-	-	-	-	-	-
Lease financing agreements	-	-	-	156,211	-	-	-	-	-	-
Sale of assets *	1,066,726	167,385	592,853	-	-	-	-	-	1,785,258	-
Issuance of loan debt	-	-	-	1,012,684	3,500,000	-	4,905,000	-	300,000	-
Total other financing sources (uses)	<u>1,066,726</u>	<u>1,482,094</u>	<u>20,014,943</u>	<u>4,027,870</u>	<u>3,747,261</u>	<u>(59,504)</u>	<u>(667,338)</u>	<u>455,372</u>	<u>3,072,661</u>	<u>16,409,378</u>
Net change in fund balances	<u>\$ (17,229,524)</u>	<u>\$ (2,857,448)</u>	<u>\$ 33,717,007</u>	<u>\$ 23,496,477</u>	<u>\$ 15,112,088</u>	<u>\$ 3,509,705</u>	<u>\$ 1,176,894</u>	<u>\$ 2,729,592</u>	<u>\$ (9,443,977)</u>	<u>\$ (6,068,668)</u>
Debt service as a percentage of noncapital expenditures	9.2%	9.7%	11.9%	10.4%	16.4%	14.2%	18.2%	18.6%	18.4%	17.9%

* Non-material proceeds from sale of assets are reported under "Other".

** Beginning Fiscal Year 2022, all sanitation revenue and expenses are reported in the BTA, Sanitation Fund.

CITY OF FOLEY, ALABAMA
 Direct and Overlapping Sales and Use Tax Rates
 Last Ten Fiscal Years

Fiscal Year	City of Foley	Baldwin County	State of Alabama	Total Sales Tax Rate
2025	3.0%	3.0%	4.0%	10.0%
2024	3.0%	3.0%	4.0%	10.0%
2023	3.0%	3.0%	4.0%	10.0%
2022	3.0%	3.0%	4.0%	10.0%
2021	3.0%	3.0%	4.0%	10.0%
2020	3.0%	3.0%	4.0%	10.0%
2019	3.0%	3.0%	4.0%	10.0%
2018	3.0%	3.0%	4.0%	10.0%
2017	3.0%	3.0%	4.0%	10.0%
2016	2.0%	3.0%	4.0%	9.0%

Source: State of Alabama Department of Revenue

Beginning March 1, 2017, the City increased sales and use tax from 2% to 3% effective until August 31, 2020. Effective September 2019, the City Council extended the 1% temporary sales tax until August 31, 2030.

CITY OF FOLEY, ALABAMA
Principal Sales and Use Taxpayers
Last Ten Years

Year	[1] Gross Sales	[1] Remitted By Top 25 Taxpayers	[1] Total Sales & Use Tax Collected	Percent of Total Tax
2025	\$ 2,010,983,794	\$ 15,509,689	\$ 39,457,505	39.31%
2024	2,081,391,353	15,053,975	40,396,467	37.27%
2023	2,072,326,905	15,118,952	38,943,951	38.82%
2022 [2]	2,096,317,094	14,253,313	36,244,191	39.33%
2021	2,285,177,026	13,237,961	33,609,031	39.39%
2020	1,566,212,910	11,274,082	26,816,150	42.04%
2019	1,399,889,326	10,000,128	24,991,110	40.01%
2018	1,260,945,641	8,736,761	21,367,934	40.89%
2017	1,258,511,522	8,014,166	19,581,316	40.93%
2016	1,187,232,141	6,224,812	14,962,812	41.60%

[1] Beginning 2016, the State of Alabama reports the information by fiscal year, net of fees, on a non-accrual basis. Years 2015 are reported on a calendar year.

[2] Fiscal year 2022 gross sales were lower than fiscal year 2021, but taxes collected were higher. This is due to a higher number of deductions allowed. The gross number presented is the economics revenue that comes through the city, not the gross sales that tax are paid from.

Source: State of Alabama Department of Revenue

Note: State law prohibits the disclosure of specific taxpayer information.

CITY OF FOLEY, ALABAMA
Revenue Indicators - General Fund
Last Ten Years

Sales and Other Local Taxes

Fiscal Year Ended September 30,	[1] Sales & Use Tax	Lodging Tax	Rental Tax	Tax Penalties	Beer Wine & Liquor Tax	[2] Local Gas Tax	Cigarette & Tobacco Tax	Other Local Tax	Total
2025	\$ 39,593,772	\$ 2,307,235	\$ 483,606	\$ 87,209	\$ 847,567	\$ 738,840	\$ 224,992	\$ 407,064	\$ 44,690,285
2024	40,252,794	2,100,738	463,170	223,046	809,837	696,855	228,951	428,227	45,203,618
2023	39,162,504	2,129,177	437,156	169,228	778,847	586,838	236,057	537,446	44,037,253
2022	36,710,192	2,089,629	423,576	226,343	764,965	583,583	223,949	513,708	41,535,945
2021	33,560,787	2,362,418	477,613	53,107	727,078	582,876	237,781	512,581	38,514,241
2020	26,182,775	1,246,882	271,542	-	604,947	548,210	228,737	299,988	29,383,081
2019	25,528,657	1,392,542	269,851	-	547,437	596,477	225,948	301,112	28,862,024
2018	23,546,995	1,234,281	254,383	-	530,004	574,232	224,746	186,324	26,550,965
2017	19,280,693	1,073,626	280,922	-	505,229	543,511	229,298	396,844	22,310,123
2016	14,100,815	947,769	242,378	-	500,065	-	224,593	381,670	16,397,290

License and Permits

Fiscal Year Ended September 30,	Business License	Building Permits	Other License & Permits	Total
2025	\$ 4,387,596	\$ 1,521,768	\$ 253,653	\$ 6,163,017
2024	3,668,188	3,834,451	504,470	8,007,109
2023	3,683,012	2,402,079	536,750	6,621,841
2022	3,366,184	2,046,773	409,218	5,822,175
2021	2,746,550	1,831,977	223,861	4,802,388
2020	2,622,061	1,420,871	186,715	4,229,647
2019	2,490,968	939,435	186,058	3,616,461
2018	2,477,791	1,112,231	238,861	3,828,883
2017	2,504,014	1,006,892	209,571	3,720,477
2016	2,055,464	508,997	141,492	2,705,953

Franchise Fees

Fiscal Year Ended September 30,	Utility Tax Equivalents [3]		Other Franchise Fees	Total
	Applicable Percentage	Total Amount Collected		
2025	4.25%	\$ 9,786,847	\$ 325,765	\$ 10,112,612
2024	4.25%	8,883,584	367,436	9,251,020
2023	4.25%	8,716,759	348,283	9,065,042
2022	4.25%	8,220,548	307,403	8,527,951
2021	4.25%	7,944,312	148,097	8,092,409
2020	4.25%	7,692,940	152,738	7,845,678
2019	4.25%	7,410,006	155,933	7,565,939
2018	4.25%	7,053,060	153,846	7,206,906
2017	4.25%	6,796,594	147,880	6,944,474
2016	4.25%	6,499,737	138,547	6,638,284

[1] In March 2017, the sales tax rate was increased to 3% effective until August 31, 2020. In September 2019, this temporary increase was extended until August 2030.

[2] In December 2016 a 3% local gas tax was established.

[3] Tax equivalent payments are made monthly to the City by Riviera Utilities based on a percentage of retained earnings of the previous year. Riviera Utilities provides water, sanitary sewer, electric, natural gas, cable television and internet services in the City and in other incorporated and unincorporated areas in Baldwin County, Alabama.

CITY OF FOLEY, ALABAMA
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Constitutional Debt Limit	\$ 152,851,074	\$ 134,523,822	\$ 124,588,130	\$ 103,414,791	\$ 82,185,292	\$ 75,320,817	\$ 68,995,025	\$ 62,563,727	\$ 59,703,210	\$ 66,950,121
Net debt applicable to limit	<u>50,692,070</u>	<u>52,922,028</u>	<u>53,911,133</u>	<u>37,726,291</u>	<u>40,676,257</u>	<u>27,865,934</u>	<u>31,933,086</u>	<u>30,398,683</u>	<u>33,312,476</u>	<u>34,571,734</u>
Legal debt margin	<u>\$ 102,159,004</u>	<u>\$ 81,601,794</u>	<u>\$ 70,676,997</u>	<u>\$ 65,688,500</u>	<u>\$ 41,509,035</u>	<u>\$ 47,454,883</u>	<u>\$ 37,061,939</u>	<u>\$ 32,165,044</u>	<u>\$ 26,390,734</u>	<u>\$ 32,378,387</u>
Net debt as a percentage of debt limit	33.16%	39.34%	43.27%	36.48%	49.49%	37.00%	46.28%	48.59%	55.80%	51.64%

CITY OF FOLEY
 Legal Debt Margin Information (Continued)
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Special Constitutional Debt Limit	\$ 382,127,685	\$ 336,309,554	\$ 311,470,324	\$ 258,536,978	\$ 205,463,230	\$ 188,302,042	\$ 172,487,562	\$ 156,409,318	\$ 149,258,026	\$ 167,375,302
Net debt applicable to limit	<u>4,513,401</u>	<u>5,160,294</u>	<u>5,584,330</u>	<u>5,953,683</u>	<u>6,844,696</u>	<u>35,756,911</u>	<u>36,464,323</u>	<u>36,872,500</u>	<u>37,272,909</u>	<u>36,339,889</u>
Legal debt margin	<u>\$ 377,614,284</u>	<u>\$ 331,149,260</u>	<u>\$ 305,885,994</u>	<u>\$ 252,583,295</u>	<u>\$ 198,618,534</u>	<u>\$ 152,545,131</u>	<u>\$ 136,023,239</u>	<u>\$ 119,536,818</u>	<u>\$ 111,985,117</u>	<u>\$ 131,035,413</u>
Net debt as a percentage of debt limit	1.18%	1.53%	1.79%	2.30%	3.33%	18.99%	21.14%	23.57%	24.97%	21.71%

CITY OF FOLEY, ALABAMA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Warrants	Federally Taxable 2013 Qualified Energy Conservation Bonds	Total General Obligation Debt	Notes Payable	Subscription Liability	Lease Liability	Special Revenue Bonds	Total Governmental Activities	Business-Type Activities of Coastal Alabama Farmers' and Fishermen's Market, Inc.	Notes Payable	Total Primary Government	Total Debt as a Percentage of Personal Income	Total Debt Per Capita
2025	49,149,165	1,621,586	50,770,751	-	1,872,149	359,361	11,324,101	64,326,362	-	-	64,326,362	6.21%	2,076
2024	51,204,775	1,788,659	52,993,434	7,837	2,183,464	380,963	13,176,013	68,741,711	-	-	68,741,711	7.85%	2,374
2023	53,329,185	1,945,731	55,274,916	14,802	1,195,078	238,944	14,922,925	71,646,665	-	634,235	72,280,900	13.54%	3,110
2022	38,346,223	2,062,804	40,409,027	21,717	-	298,600	15,429,837	56,159,181	8,000,000	1,123,296	65,282,477	10.28%	2,785
2021	40,753,913	2,174,877	42,928,790	28,865	-	-	15,902,407	58,860,062	8,000,000	1,193,323	68,053,385	16.59%	3,128
2020	19,936,424	2,281,950	22,218,374	121,339	-	-	37,026,760	59,366,473	8,000,000	1,260,601	68,627,074	19.18%	3,365
2019	23,138,996	2,384,023	25,523,019	363,094	-	-	37,491,148	63,377,261	8,000,000	1,059,072	72,436,333	18.97%	3,558
2018	21,692,164	2,481,096	24,173,260	484,053	-	-	44,502,548	69,159,861	8,000,000	-	77,159,861	18.54%	3,741
2017	24,412,101	2,573,169	26,985,270	602,504	-	-	45,934,137	73,521,911	-	-	73,521,911	20.35%	4,129
2016	26,133,427	2,665,242	28,798,669	335,579	-	-	47,335,727	76,469,975	-	-	76,469,975	22.55%	4,549

CITY OF FOLEY, ALABAMA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30	[1] General Obligation Bonds	[2] Less: Amounts Available in Debt Service Funds	Total	[3] [4] Percentage of Estimated Actual Taxable Value of Property	[4] Per Capita
2025	\$ 50,770,751	\$ 822,350	\$ 49,948,401	6.54%	\$ 1,612
2024	52,993,434	985,495	52,007,939	10.09%	1,785
2023	55,274,916	992,650	54,282,266	13.22%	2,091
2022	40,409,027	1,030,535	39,378,492	10.52%	1,689
2021	42,928,790	825,010	42,103,780	12.14%	1,923
2020	22,218,374	957,470	21,260,904	6.77%	1,042
2019	25,523,019	771,677	24,751,342	8.21%	1,221
2018	24,173,260	1,046,395	23,126,865	8.49%	1,253
2017	26,985,270	1,034,002	25,951,268	10.65%	1,478
2016	28,798,669	1,027,614	27,771,055	12.64%	1,698

Fiscal Year Ended September 30	[5] Special Revenue Bonds	[2] Less: Amounts Available in Debt Service Funds	Total	[3] [4] Percentage of Estimated Actual Taxable Value of Property	[4] Per Capita
2025	\$ 11,324,101	\$ 1,585,307	\$ 9,738,794	1.27%	\$ 314
2024	13,176,013	1,428,929	11,747,084	1.75%	382
2023	14,922,925	1,399,290	13,523,635	2.17%	521
2022	15,429,837	1,393,785	14,036,052	2.71%	598
2021	15,902,407	1,538,488	14,363,919	3.50%	660
2020	37,026,760	1,617,672	35,409,088	9.40%	1,741
2019	37,491,148	2,347,330	35,143,818	10.19%	1,752
2018	44,502,548	2,326,189	42,176,359	13.48%	2,282
2017	45,934,137	1,987,698	43,946,439	14.72%	2,468
2016	47,335,727	1,803,475	45,532,252	16.69%	2,630

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Includes general bonded debt.

[2] Amount restricted for debt service principal payments.

[3] Total assessed property value data can be found in the Statistical Section - Schedule of Ad Valorem Information.

[4] Population data can be found in the Statistical Section – Schedule of Population Trends.

[5] Includes special revenue debt.

CITY OF FOLEY, ALABAMA
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>[1] Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
Baldwin County *	\$ 87,373,004	8.10%	\$ 7,077,213
Baldwin County Board of Education	201,131,507	8.10%	16,291,652
Subtotal, overlapping debt			23,368,865
City of Foley, Alabama, direct debt			64,326,362
Total direct and overlapping debt			<u>\$ 87,695,227</u>

Source: Outstanding debt provided by each governmental unit.

[1] The Baldwin County Revenue Commission's appraisals are done a year in arrears, meaning appraisals are based on the property the way it was on October 1st of the previous year (2025 property appraisals are based on the property as it was on August 1, 2024). The percentage above represents the net assessed value of property in the City of Foley (\$604,348,600) to net assessed value of property in Baldwin County (\$8,827,298,660).

* The City was unable to obtain updated debt information at the time this report was issued.

CITY OF FOLEY, ALABAMA
Population Trends / Graduation Rates

Year	City of Foley		Baldwin County	
	Population [1]	Rate of Growth	Population [2]	Rate of Growth
2025	30,979	6.0%	276,610	6.2%
2024	29,224	12.5%	360,483	2.8%
2023	25,971	10.7%	253,509	2.9%
2022	23,468	7.8%	246,435	3.0%
2021	21,777	7.1%	239,361	2.6%
2020	20,335	1.4%	233,219	4.3%
2019	20,063	8.5%	223,565	2.5%
2018	18,486	3.8%	218,071	2.5%
2010	14,618	92.6%	203,101	44.6%
2000	7,590	53.7%	140,415	42.9%
1990	4,937	23.3%	98,280	25.1%
1980	4,003	18.9%	78,556	32.3%
1970	3,368	16.6%	59,382	21.0%
1960	2,889	122.1%	49,088	19.7%
1950	1,301	N.A.	40,997	N.A.

Year	Enrollment [3][4]	Graduation Rate [5]
2025	4,148	86%
2024	4,145	77%
2023	4,168	79%
2022	4,120	81%
2021	3,692	85%
2020	3,465	84%
2019	4,072	83%
2018	4,266	83%
2017	4,312	79%
2016	4,379	78%

Sources:

[1] Source is City of Foley GIS estimate.

[2] Source is US Census Bureau.

[3] 2022 - 2016 Alabama State Department of Education.

[4] Elberta High School opened in 2017-2018 to grades 7-9 and one new grade exited Foley High School each year until it reached a full 7-12 high school in 2021.

[5] Alabama State Department of Education. Census years, Census of Population and Housing.

CITY OF FOLEY, ALABAMA
Census Data

Year	City of Foley		Baldwin County		State of Alabama	
	Median Family Income	Per Capital Income	Median Family Income	Per Capital Income	Median Family Income	Per Capital Income
2023	\$ 67,346	\$ 33,427	\$ 59,609	\$ 33,344	\$ 74,755	\$ 41,804
2010	50,854	22,967	58,429	26,469	52,863	22,984
2000	38,427	19,364	47,028	20,826	41,657	18,189
1990	23,717	9,498	30,199	13,306	28,688	15,723
1980	16,234	5,598	16,917	7,192	16,353	7,836

	1980	1990	2000	2010	2020
Total Housing Units	1,427	2,127	3,468	7,359	10,990
Total Occupied Units	1,336	1,897	3,126	6,165	9,713
Total Owner Occupied Units	941	1,230	2,083	3,850	7,107
Median Value of Owner Occupied Units	\$ 35,700	\$ 54,800	\$ 97,900	\$ 171,800	\$ 236,900

Sources: U.S. Census Bureau

CITY OF FOLEY, ALABAMA
 Comparative Unemployment Rates
 Last Ten Fiscal Years

Fiscal Year	[1] [3] Foley	[1] [3] Baldwin County	[1] [3] Alabama	[2] U.S. National Average
2025	2.3%	2.3%	2.9%	4.3%
2024	2.9%	2.9%	2.9%	4.1%
2023	2.2%	2.2%	2.2%	3.6%
2022	2.4%	2.4%	2.7%	3.7%
2021	2.5%	2.5%	3.1%	4.8%
2020	5.6%	5.6%	6.7%	7.9%
2019	2.2%	2.2%	3.0%	3.5%
2018	3.4%	3.4%	4.1%	3.7%
2017	3.0%	3.0%	3.8%	4.2%
2016	5.5%	5.5%	6.0%	4.6%

Sources:

[1] Homefacts was used for 2017 and prior.

[2] Alabama Department of Labor, Labor Market Division

[3] Alabama Department of Labor, Labor Market Division since 2018

CITY OF FOLEY, ALABAMA
Principal Employers - Top 10 City & County
Current year compared to ten years prior

Industry	Product	2025			2014		
		Approximate Employment	Rank	Percentage of Total Employment	Approximate Employment	Rank	Percentage of Total Employment
<i>Major Employers - City of Foley</i>							
Baldwin Health	Medical Care	1200	1	1.4%	725	3	12.5%
Collins Aerospace (UTC Aerospace Systems) (Goodrich)	Aerospace	1160	2	1.4%	820	2	14.1%
Tanger Outlet Center	Retail-Mall	700	3	0.8%	1500	1	25.9%
OWA	Entertainment	700	4	0.8%	n/a	n/a	
Vulcan, Inc	Manufacturing	500	5	0.6%	300	6	5.2%
Riviera Utilities	Utilities	500	6	0.6%	225	7	3.9%
City of Foley	Government	411	7	0.5%	318	5	5.5%
Baldwin County Annex	Government	150	8	0.2%	n/a	n/a	
Diversicare	Medical Care	147	9	0.2%	n/a	n/a	
Starr Laundry	Lanudry services	100	10	0.1%	n/a	n/a	
Ascend Performance Materials / formerly Solutia Manufacturing	Manufacturing (Organic Fibers/Noncellulosic)				110	9	1.9%
Wal-Mart Super Center (Foley)	General Retail				370	4	6.4%
Golden Living Center	Medical Care				147	8	2.5%
AZEK Decks	Patio Equipment & Supplies				75	10	1.3%
<i>Major Employers - Baldwin County - Outside of the City of Foley</i>							
Baldwin County Board of Education	Public Education	3,900	1	3.8%	3,150	1	4.1%
Wal-Mart Super Centers	General Retail	1,700	2	1.6%	1,500	2	2.0%
Thomas Hospital	Medical Care	1,490	3	1.4%	950	3	1.2%
Columbia Southern University	Higher Education	1,050	4	1.0%	450	9	0.6%
Publix Grocery	Grocery	830	5	0.8%	n/a	n/a	n/a
Baldwin County Commission	Government	670	6	0.6%	947	4	1.2%
Marriott Grand Hotel	Hotel & Country Club	530	7	0.5%	600	5	0.8%
Standard Furniture	Home Furnishings	520	8	0.5%	600	6	0.8%
Brett-Robinson	Real Estate	520	9	0.5%	450	9	0.6%
Ace Hardware Support Center	General Retail	380	10	0.4%			
DBT America	Belt Conveyor Equipment				750	5	1.0%
Meyer Real Estate	Real Estate				450	8	0.6%
Citation	Alumunium Castings				365	10	0.5%
Mercy Medical	Medical Care				550	7	0.7%

CITY OF FOLEY, ALABAMA
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Department	Full-time Employees as of 9/30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
General Government Administration	26	24	22	21	19	19	19	19	19	19
Public Works Building	7	5	5	5	3	2	2	2	2	2
Municipal Complex	7	7	7	6	7	7	8	8	8	8
Municipal Court	6	6	6	6	6	6	6	6	6	6
Vehicle Maintenance Shop	6	6	4	5	5	5	5	5	4	4
Information & Technology	6	6	6	6	6	6	6	6	5	5
Public Safety										
Public Safety	1	1	1	0	0	0	0	0	0	0
Police	121	118	88.0	97.5	92	93	96	95	92	92
Fire	44	38	37.0	37.5	31	31	33	33	32	32
Community Development/Inspections	14	12	12	12	11	10	9	9	8	8
Environmental	6	6	5	5	5	4	3	4	3	3
Highways and Streets										
Infrastructure and Development	2	2	1	0	0	0	0	0	0	0
Street Department	46	43	32	37	33	31	28	28	26	26
Engineering Department	5	5	4	4	4	4	4	4	4	4
Sanitation (BTA, effective 2022)	24	24	21	22	16	16	16	15	17	17
Culture and Recreation										
Leisure Services	6	6	4	0	0	0	0	0	0	0
Parks Department *	-	-	-	11	12	12	12	12	12	12
Library	18	17	13	13	12	12	12	12	11	11
Senior Center	3	3	3	3	3	3	3	3	3	3
Parks and Recreation *	22	22	21	13	12	12	12	12	11	11
Visitors Center/Marketing	6	5	5	3	2	2	2	2	2	2
Horticulture	6	6	6	6	6	6	6	5	5	5
Sports Tourism	17	17	15	17	15	14	13	12	10	7
Nature Parks	10	10	8	7	5	2	2	0	0	0
Concessions	1									
Economic Development	1	0	0	0	0	0	0	0	2	2
Total	411	389	326	337	305	297	297	292	282	279

Source: Human Resources Division

* In FY 2023, the parks department merged with the recreation department.

CITY OF FOLEY, ALABAMA
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government:										
Business license issued	4,108	4,107	4,327	3,944	3,740	3,503	3,414	3,390	3,350	3,168
<i>Municipal Complex</i>										
Custodial locations served	11	10	10	9	10	10	10	*	*	*
Structures maintained	83	83	83	82	71	71	71	*	*	*
Public Safety:										
<i>Police</i>										
Arrests	1,464	1,223	1,249	1,947	2,064	1,839	2,166	2,272	2,165	2,063
Traffic cases filed	2,285	2,062	3,474	3,124	2,293	2,319	4,491	4,491	4,447	4,660
Calls for service	27,847	24,634	27,759	21,559	34,653	43,747	58,051	66,753	65,627	64,076
<i>Fire</i>										
Emergency responses (1)	2,860	3,000	2,851	2,596	2,465	2,087	1,605	1,655	1,481	1,493
Inspections (1)	1,862	2,519	2,285	1,917	3,806	2,608	3,428	2,469	3,722	3,207
Public relations/education contacts (1)	12,000	14,505	9,486	7,155	10,570	11,683	9,429	12,335	10,956	6,788
<i>Community Development Department</i>										
Building permits	2,749	6,454	3,560	3,982	5,291	3,711	2,406	2,416	2,402	1,947
Single family	318	1,129	438	598	625	571	256	270	261	235
Duplex/Multi-Family	261	122	57	98	200	128	234	428	30	14
New commercial	12	30	29	27	3	19	13	20	78	20
<i>Environmental</i>										
Permits issued	327	473	673	600	671	625	308	316	*	*
Permit inspections	1,359	1,446	700	670	622	688	270	275	*	*
Complaints	226	200	150	190	150	190	122	157	*	*
Water samples-chemistry	269	484	156	156	156	105	33	-	*	*
Water samples-bacteria	197	400	95	96	100	31	12	-	*	*
State permit inspections	144	129	104	80	97	106	43	50	*	*
Sanitation: (BTA, effective 2022)										
<i>Residential</i>										
Tons collected and disposed:										
Refuse	10,335	8,783	8,200	7,995	9,886	8,308	7,271	6,746	6,810	6,656
Recyclables	5,651	550	122	88	394	341	391	369	531	523
C&D / Green Waste	1,874	2,165	1,974	2,075	*	*	*	*	*	*
Number of cans in use	11,537	10,928	9,272	8,790	7,905	7,329	6,940	6,583	6,402	6,131
<i>Commercial</i>										
Tons collected and disposed	12,105	11,489	11,018	3,902	*	*	*	*	*	*
Contracted commercial dumpster accounts served	319	498	471	444	422	410	397	384	379	366
Culture and Recreation										
<i>Recreation Department:</i>										
Youth programs offered	10	8	7	7	7	7	7	7	7	7
Youth program participants	1,684	1,702	1,555	1,352	1,292	1,072	1,416	1,477	1,552	1,654
Tournaments held	14	16	12	9	7	8	8	16	27	27
Events booked	30	26	15	14	14	9	13	11	*	*
Participation	8,888	9,555	9,435	19,838	12,130	3,523	8,539	8,858	*	*
Visitors to Foley	35,330	33,442	28,305	79,352	61,863	18,192	43,623	45,113	*	*

CITY OF FOLEY, ALABAMA
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<i>Senior Center:</i>										
Members	1,648	1,286	995	619	353	745	720	754	770	616
Senior/community programs	52	42	37	36	30	42	54	49	48	47
Senior program participants	27,371	22,045	18,771	14,200	5,049	11,254	21,052	21,436	21,538	20,312
<i>Library</i>										
Total items circulated	330,047	335,140	347,238	1,140,751	970,875	1,151,268	1,181,974	1,058,122	1,008,400	787,517
Patron visits	122,231	126,634	111,235	137,258	142,176	266,837	425,750	360,643	415,870	421,448
Volumes in collection	67,637	75,525	8,296	87,830	86,369	86,236	84,849	83,563	83,225	81,881
Program attendance	18,189	13,732	15,672	31,969	11,522	31,081	24,655	21,339	19,858	17,502
<i>Welcome Center</i>										
Patron visits	5,061	4,412	4,749	4,411	2,870	3,286	5,948	6,287	5,837	5,559
Holmes Medical Museum visitors	9,180	9,180	8,950	11,004	2,240	6,582	8,920	7,233	*	*
Foley Depot Museum visitors	21,470	20,227	19,856	20,903	16,250	10,730	17,832	11,265	*	*
Model train visitors	9,180	20,466	20,487	19,906	11,800	11,733	26,356	27,469	*	*
Park train rides	9,070	6,995	7,950	10,039	9,666	*	*	*	*	*
Website hits										
Visit Foley	68,434	432,169	318,817	246,666	170,886	80,787	159,173	76,601	77,951	80,445
City of Foley	162,504	1,058,934	315,008	248,794	309,772	227,466	193,640	110,517	*	*
<i>Horticulture</i>										
Tree City Program - trees planted	784	824	734	1,075	920	726	613	524	2,804	498
Plants - grown and planted	35,200	34,000	32,500	27,400	16,750	14,600	27,300	23,200	22,300	22,500
<i>Nature Parks</i>										
Educational programs offered	70	70	60	60	46	36	68	61	72	51
Educational programs attendance	5,615	2,750	2,700	2,500	2,400	1,975	4,398	4,896	4,725	1,716
Events booked	115	75	65	34	23	15	34	28	21	15
Events attendance	35,000	30,000	37,500	25,500	12,500	8,600	14,500	14,000	12,000	7,524
Rentals	140	155	154	120	99	*	*	*	*	*
<i>Sports Tourism</i>										
Events booked	72	72	85	89	86	108	93	82	36	44
Events attendance	208,000	208,000	207,400	200,000	175,000	109,616	166,339	78,458	18,357	18,000
Estimated room nights	23,000	23,000	23,500	22,500	20,000	*	*	*	*	*
Total business sales	\$48 million	\$40 million	\$31.7 million	\$31.2 million	*	*	*	*	*	*

* Information was not readily available for all operating indicators

(1) Presented by calendar year

Sources: Various City Departments

CITY OF FOLEY, ALABAMA
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019**	2018	2017	2016
General Government:										
Number of governmental buildings	13	13	13	12	12	12	13	16	15	15
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of community development offices	1	1	1	1	1	1	1	-	-	-
Highways and Streets:										
Miles of streets	164	164	162	161	161	161	159	154	153	148
Number of street lights	3,223	3,104	3,095	2,908	2,896	2,891	2,886	2,884	2,874	2,849
Miles of sidewalks	105	40	37	37	37	37	37	37	37	35
Engineering department offices	1	1	1	1	1	1	1	-	-	-
Sanitation: (BTA, effective 2022)										
<u>Residential Sanitation</u>										
Number of garbage trucks	5	5	5	4	7	6	7	7	7	7
Number of recycle trucks	2	2	3	2	1	1	1	1	1	1
Number of limb trucks	5	-	-	-	-	-	-	-	-	-
<u>Commercial Sanitation</u>										
Number of garbage trucks	4	4	3	3	-	-	-	-	-	-
Culture and Recreation										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of senior activity centers	1	1	1	1	1	1	1	1	1	1
Number of park offices and public parks	20	20	20	19	19	19	19	13	13	14
Number of welcome centers	1	1	1	1	1	1	1	1	1	1

Source: Various City departments

** 2019 reclassified several buildings and included park offices and undeveloped park properties.

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COMPLIANCE SECTION

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

Honorable Mayor and
Members of the City Council
City of Foley, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Foley, Alabama (“the City”), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated February 16, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Warren Averett, LLC

Daphne, Alabama
February 16, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and
Members of the City Council
City of Foley, Alabama

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Foley, Alabama (“the City”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2025. The City’s major federal program is identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditors’ Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material

noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Warren Averett, LLC

Daphne, Alabama
February 16, 2026

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CITY OF FOLEY, ALABAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Cluster Name	Contract / Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF COMMERCE						
Passed Through from: Alabama Department of Conservation and Natural Resources, State Lands Division						
Coastal Zone Management Administration Awards	11.419	N/A	FOLEY-CZM-306-25-1			24,750
			Total			24,750
U.S. DEPARTMENT OF HOMELAND SECURITY						
Passed Through From: State of Alabama Emergency Management Agency						
Disaster Grant	97.036	N/A	DR-4563-AL (Hurricane Sally)			301,098
Hazard Mitigation Grant Program	97.039	N/A	HMGP 4563-0003			107,088
			Total			408,186
Passed Through From: Alabama Law Enforcement Agency						
State Homeland Security Grant	97.067	N/A	2024-4LOC-STS-174			25,000
			Total			25,000
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs						
Economic Development Initiative, Community Project Funding, and Miscellaneous Grant	14.251	N/A	B-23-CP-AL-0023			2,000,000
			Total			2,000,000
U.S. DEPARTMENT OF THE INTERIOR						
Passed Through From: Alabama Department of Environmental Management Water Division						
GOMESA	15.435	N/A	ADEMLT-SA05			20,000
			Total			20,000
U.S. DEPARTMENT OF JUSTICE						
Direct Programs						
Bulletproof Vest Partnership Program	16.607	N/A	2023 Bulletproof Vest Grant Award			5,064
Edward Byrne Memorial Justice Assistance Grant Program	16.753	N/A	15PBJA-24-GG-00296-BRND			711,000
			Total			716,064
Passed Through From: Baldwin County Drug Task Force						
Edward Byrne Memorial Justice Assistance Grant Program: Mobile Safe Streets Task Force	16.738	N/A	281D-MO-A6033973			533
			Total			533
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Passed Through From: Mobile Bay National Estuary Program						
Bipartisan Investment and Jobs Act of 2021	66.456	N/A	02D40122			87,139
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
Passed Through From: Alabama Public Library Services						
Grants to States: Library Services and Technology Act (LSTA)	45.310	N/A	LSTA 25-7-1			20,500
			Total			20,500

CITY OF FOLEY, ALABAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Cluster Name	Contract / Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Programs						
Airport Improvements	20.106	N/A	3-01-0031-026-2024			156,627
Airport Improvements	20.106	N/A	3-01-0031-027-2024			150,001
			Total			<u>306,628</u>
Passed Through From: Alabama Department of Transportation						
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	N/A	HSIP-0220(254)			33,891
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	N/A	HSIP-0220(257)			663,701
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	N/A	HSIP-0042(549)			25,776
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	N/A	STPUC-0224(250)			985,672
			Total			<u>1,709,041</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS						<u><u>\$ 5,317,840</u></u>

CITY OF FOLEY, ALABAMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

1. BASIS OF PRESENTATION

The information in the Schedule of Expenditures of Federal Awards (the schedule) is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the schedule presents only a selected portion of the operations of the City of the Foley (the City), it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule includes the federal grant activity of the City under programs of the federal government for the year ended September 30, 2025. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. The City did not elect to utilize the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. EXPENDITURES INCURRED IN PRIOR FISCAL YEAR

Total Federal Assistance Listing No. 97.036 expenditures of \$301,098 were incurred in a prior fiscal year and obligated by FEMA in the current fiscal year.

**CITY OF FOLEY, ALABAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting: Material weakness(es) identified?	___ yes <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	___ yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	___ yes <input checked="" type="checkbox"/> no

FEDERAL AWARDS

Internal control over major program: Material weakness(es) identified?	___ yes <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	___ yes <input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major program:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a)?	___ yes <input checked="" type="checkbox"/> no

IDENTIFICATION OF MAJOR PROGRAM

Federal Assistance Listing Number 14.251 – Economic Development Initiative, Community Project
Funding, and Miscellaneous Grants

Dollar threshold used to distinguish between type A and type B programs:	\$ 1,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes ___no

**CITY OF FOLEY, ALABAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings which were required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no audit findings required to be reported in accordance with the Uniform Guidance.

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