

City of Daphne, Alabama

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For Fiscal Year 2024
Ending September 30, 2024



CITY OF DAPHNE, ALABAMA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2024**

**Prepared By:
Finance Department**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	5
Map of the City of Daphne	11
Organizational Chart	12
List of Principal Officials	13
Certificate of Achievement for Excellence in Financial Reporting	14
FINANCIAL SECTION	
Independent Auditors' Report	16
Management's Discussion and Analysis	19
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	36
Statement of Activities	38
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	40
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	42
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	43
Proprietary Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	46
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	48
Statement of Cash Flows – Proprietary Funds	49
Fiduciary Fund Financial Statement:	
Statement of Fiduciary Net Position – Fiduciary Funds	51
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	52
Notes to the Financial Statements	53
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	95
Pension Schedules:	
Schedule of Changes in Net Pension Liability	104
Schedule of Employer Contributions – Pension	106
Other Post-Employment Benefits Schedule:	
Schedule of Changes in OPEB Liability	108
Schedule of Employer Contributions – OPEB	110
Schedule of Investment Returns – OPEB	112

TABLE OF CONTENTS, CONTINUED

Other Supplementary Information:

Description of Non Major Governmental Funds	114
Combining Balance Sheet - Summary Non Major Governmental Funds	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Summary Non Major Governmental Funds	116
Combining Balance Sheet – Non Major Special Revenue Funds	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Special Revenue Funds	120
Budgetary Comparison Schedules:	
Capital Reserve Fund	122
2023 Construction Fund	123
Non Major Debt Service Fund	124
Non Major Special Revenue Funds	125

STATISTICAL SECTION

Guide to Statistical Section	133
Net Position by Activity Type	134
Changes in Net Position	136
Fund Balances of Governmental Funds	140
Changes in Fund Balances of Governmental Funds	142
Governmental Activities Tax Revenue by Source	144
Revenue Rates for General Sales Tax	145
Principal Revenue Remitters of Sales and Use Tax	146
Net Assessed Value of All Taxable Property	147
Principal Revenue Remitters of Property Tax	148
Property Tax Rates Direct and Overlapping Governments	149
Ad Valorem Levies and Collections	150
Legal Debt Margin	151
Outstanding Debt by Type	153
Net Bonded Debt by Type	154
Direct and Overlapping Governmental Activities Debt	155
Demographic and Economic Statistics	156
Principal Employers	157
City Government Employees by Function	158
Operating Indicators by Function	160
Capital Asset Statistics by Function	178

Introductory Section



March 25, 2025

TO: Citizens of the City of Daphne, Alabama

It is our privilege to present the Annual Comprehensive Financial Report (ACFR) on the operations of the City of Daphne, Alabama (the City) for the fiscal year ended September 30, 2024. This report is presented to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff, and readers.

Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City, based upon a comprehensive framework of internal control that the City has established for this purpose. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City has an audit of its financial reports annually by independent certified public accountants who must conduct the audit in accordance with accounting principles generally accepted in the United States of America (GAAP). The accounting firm of Avizo Group, Inc. conducted the audit and its report on the City's financial statements is included herein.

The Report

The ACFR has been prepared in conformity with GAAP as prescribed in pronouncements by the Governmental Accounting Standards Board (GASB) and is presented in three sections: *Introductory, Financial, and Statistical*.

The *Introductory Section* is designed to provide the background and context that readers need to benefit fully from the information contained in the *Financial Section*, and includes this transmittal letter, City map, organizational chart, list of principal officials, and the ACFR certificate for fiscal year ended September 30, 2023.

The *Financial Section* includes the auditor’s report, Management’s Discussion and Analysis (MD&A), audited government-wide and fund financial statements and related notes thereto, required supplementary information, and certain underlying combining fund financial statements, and other supplementary information.

The *Statistical Section* contains selected unaudited financial, economic and demographic data on a multi-year basis that is useful in evaluating the economic condition of the City.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter is designed to complement the MD&A and should be read in conjunction with it.

The Reporting Entity

The report includes all funds of the primary government. The primary government provides a full range of services. These services include public safety, public works, environmental services, culture and recreation, economic and community development and planning, and general administrative services.

The Utilities Board of the City of Daphne is a related entity, but it does not meet the established criteria for inclusion in the reporting entity, and accordingly, is excluded from this report. Additional information on the Utilities Board is available at the Board’s business office at 900 Daphne Avenue, PO Box 2550, Daphne, Alabama 36526.

The City has implemented the Governmental Accounting Standards Board’s (GASB) statement on defining the reporting entity. The City has no related entities that are required to be discretely presented or blended component units.

GASB Requirements

Each year, management evaluates new GASB reporting requirements to determine applicability to the City. The requirements issued by GASB that became effective during this current fiscal year and those that will become effective in the next fiscal year and are applicable to this entity are described in this document. All GASB statements effective for fiscal year 2024 were implemented.

City Profile

The City of Daphne was incorporated in 1927 and is the largest city within Baldwin County comprised of 19.05 square miles. Daphne is located on the eastern shore of Mobile Bay and is adjacent to Interstate 10, a major east/west corridor. The city is located 39 miles west of Pensacola, Florida and 9 miles east of Mobile, Alabama just across Mobile Bay. Many Daphne residents commute daily to Mobile as Daphne has developed into one of the most attractive bedroom communities along the Eastern Shore. The proximity to the Mobile and Pensacola metropolitan areas, combined with safe environments, strong schools, and quality of life, continue to drive residential growth at a rate that is one of the fastest growing in the country, with 331 certificates of occupancy issued in 2024. In addition to the strong residential growth, our close proximity to the I-10 corridor continues to drive steady retail growth and valuable sales tax dollars.

Wealth and income levels within the city are strong as median household income is 110% of the U.S. level. The estimated median income as of 2024 was \$86,479 and the median housing valuation was \$309,700. According to the most recent estimates from the U.S. Census Bureau (2024), the city's estimated population is 30,321, which represents a 10.4% increase in growth from 2020. Daphne's population is well educated; according to recent census data, approximately 43.5% of the population has a bachelor's degree or higher; the U.S. average is 35.0%. As the population has grown, the City of Daphne has responded in the quantity and quality of services it provides with 392 full-time and part-time workers to provide these services.

The City of Daphne has a Mayor-Council form of government. The City Council consists of seven members elected from seven single member districts; the Mayor is elected at large. The Mayor and City Council are elected to serve four-year terms. Policymaking and legislative authority are vested in the City Council, which is responsible, among other things, for passing local ordinances, adopting budgets and appointing board members of related organizations. The Mayor is responsible for carrying out the policies and ordinances of the City, as well as supervising the day-to-day operations of the City.

The annual budget serves as the foundation for the City's financial planning and control. Annually, the Mayor prepares a proposed budget and submits it to the City Council for consideration. Invariably, there are changes to the budget presented by the Mayor. These changes are made by amending the appropriations during the adoption process. Other budget revisions during the year require City Council action. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Budgetary control is on the department level.

Economic Condition

Daphne continues to experience strong population growth in addition to continued commercial growth. Positive economic investment in the Coastal Alabama region should continue to drive growth. Such economic investment includes:

1. The new Airbus North America Final Assembly Line (FAL), the first commercial aircraft production site for Airbus in the country, which opened in Mobile, Alabama in 2015 and

currently assembles A319, A320 and A321 aircraft, producing over 500 aircraft since its opening.

2. Austal USA shipbuilding for the U.S. Navy has plans to expand its Mobile shipyard with the construction of an additional waterfront assembly facility to support the growth of shipbuilding in Alabama's Port City. The expansion project, fueled by a capital investment of more than \$288 million, is set to create 1,032 new jobs during the next four years.

3. Novelis is currently building its \$4.1 billion new low-carbon recycling and rolling plant in Bay Minette, Alabama, USA. The highly advanced facility will have an initial 600 kilotons of finished aluminum goods capacity per year, and this Facility will support strong demand for aluminum beverage packaging and automotive solutions. In addition, Novelis plans to have completed by 2028 its worldwide leadership and training center located in Daphne.

4. Continued investment in a burgeoning Port of Mobile, operated by the Alabama State Port Authority, which in the latest statistics is the 12th largest U.S. Port in Total Tonnage according to the United States Army Corps of Engineers and over \$98.3 billion annually in economic value to Alabama.

Geographic proximity to these regional economic generators is beneficial to the city with Airbus FAL, Austal USA, and Port of Mobile facilities located within 12 miles of the City of Daphne.

The city has been previously ranked 96th in the "Top 100 Best Places to Live" as presented on the CNN/Moneywise website. Daphne was also named as the sixth safest city in Alabama in 2019 according to National Council for Home Safety and Security. The city was listed as the 12th fastest growing city in Alabama by the U.S. Census Bureau, growing at more than 36% since 2010, and is now the 20th largest city in the state of Alabama. In addition, the Daphne-Fairhope-Foley Metropolitan Statistical Area (MSA), where Daphne is located, is the fourth fastest growing small metro MSA in the United States.

Major Initiatives

In 2024, the City of Daphne continued its annual road repaving initiative. Over the past decade, Daphne has spent over \$8 million repaving its existing infrastructure throughout its corporate limits. Daphne also christened its \$6.5 million animal shelter last year. This animal shelter has continued the trend of Daphne raising the bar for municipalities in Baldwin County. With over 9000 square feet of specially filtered conditioned space, this shelter will allow Daphne to meet its animal control needs for the next 30 years.

Commencement of construction for our Justice Center expansion started in the fall of 2024. The expansion will serve our community, county, state, and country. The \$8 million expansion will increase the City of Daphne's capabilities to reduce crime and expand law enforcement in southwest Alabama. Specifically, this Center will house larger evidence collection areas to improve enforcement of drug and human trafficking along the I-10 corridor. Further, the expanded area will increase our courtroom space, aiding in more efficient court operations in order to prosecute the criminals in our area. This is the first expansion to the Justice Center since its initial construction in 1995.

Daphne's long-awaited Bayfront Drive Streetscape improvements project was completed in the winter of 2024 when the City finished a \$3.5 million contract to begin improving the streetscape and parking along Bayfront Drive. This is the first step in a long-range plan to develop and enhance the City's Bayfront Park, which sits directly on Mobile Bay, and is adjacent to Village Point Park Preserve. Bayfront Park was awarded a \$7.2 million GOMESA Grant in 2023 and will be a future home to a 2,500-seat amphitheater for outdoor community events.

Additionally, other major 2024 initiatives wrapping up last year include infrastructure improvements on U.S. Highway 98, Daphne Avenue, and Pollard Road; and finalization of plans for Phase 1 of the widening of Highway 90 with a \$2 million grant from ALDOT.

Financial Policies

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate data are compiled to allow for the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America. 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 likely to be derived, and that valuation of costs and benefits requires estimates and judgments by management.

Budgeting: The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Annual operating budgets are adopted each fiscal year for the General Fund, the majority of special revenue funds, Debt Service Fund, and proprietary funds. Budgets for certain capital project funds are made on a project basis. Expenditures are budgeted by department and class. This constitutes the legal level of control. Budgeted amounts may be transferred among the line items within the department, however, expenditure may not exceed original appropriations at the department level.

Cash Management: Cash temporarily not required for operating requirements is invested in government securities and securities backed by the full faith and credit of the United States government. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, operating fund deposits are insured under the Security for Alabama Funds Enhancement (SAFE) program. In the SAFE program, all public funds are protected through a collateral pool administered by the State of Alabama Treasury.

Fund Balance: In 2016, the City adopted a formal policy to maintain an unassigned fund balance in the General Fund of a minimum of three months of operating revenues. Furthermore, this unassigned fund balance may only be used for capital projects and equipment or in extreme economic downturns or a natural disaster.

Operational Efficiency: The Mayor’s office continually challenges all City departments to improve their operations and the quality of services provided to citizens, while at the same time, holding personnel and operating costs consistently within the allotted budgeted amount.

Awards

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 Daphne, Alabama for its ACFR for the fiscal year ended September 30, 2023. In 2012, this prestigious Certificate of Achievement was awarded to the City in its initial submission for consideration. The City has received this award for twelve consecutive years. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report could not be accomplished without the dedicated services of an efficient Finance Department staff. We express appreciation to each member of the department and to those members of other City departments for their contributions made in the preparation of this report.

In closing, the commitment to maintaining the highest standards of accountability in financial reporting speaks to the progressive leadership and dedication to public service of the Mayor and the City Council. Their support for a policy of financial integrity has been instrumental in the preparation of this report.

Respectfully submitted,

The image shows two handwritten signatures in black ink. The first signature is 'R. LeJeune' and the second is 'Kelli Kichler Reid'.

Robin LeJeune
Mayor

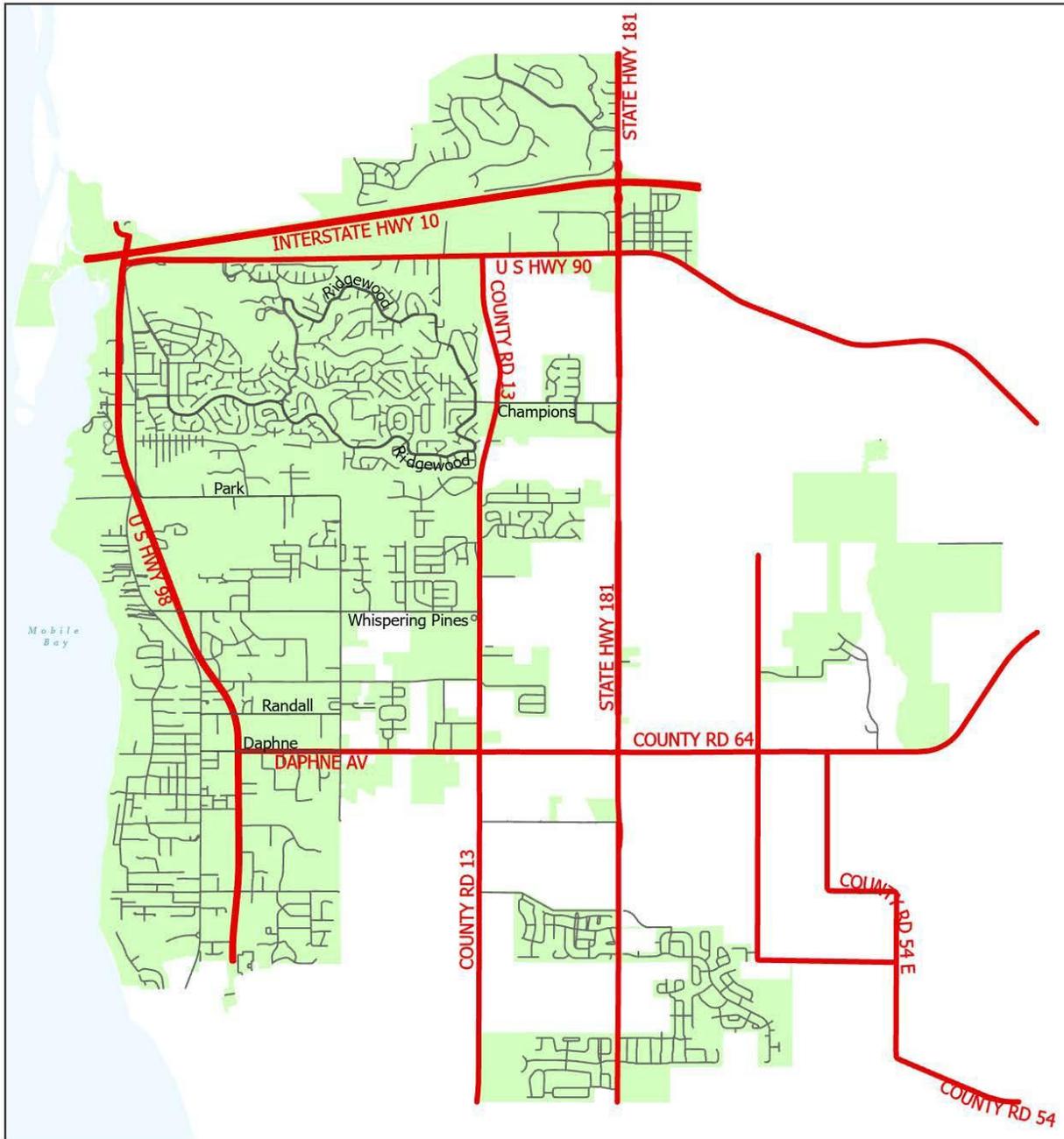
The image shows a handwritten signature in black ink that reads 'Kelli Kichler Reid'.

Kelli Kichler Reid, CPA
Finance Director/Treasurer

MAP OF THE CITY OF DAPHNE



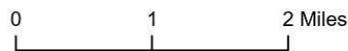
City of Daphne Overview



Maps serve a purely illustrative function and do not constitute a legally certified survey.

The information within the datasets disseminated by the City of Daphne is sourced from a diverse range of both public and private origins, which are generally considered to be reliable. However, the City of Daphne does not provide guarantees as to the accuracy, comprehensiveness, or completeness of this information. The City of Daphne disclaims all express or implied warranties concerning the accuracy, comprehensiveness, currency, reliability, or appropriateness of the information or data originating from the City Geographic Information System. Furthermore, the City of Daphne, its representatives, agents, or employees assume no liability associated with the utilization of this data and accept no responsibility for its maintenance in any manner or form.

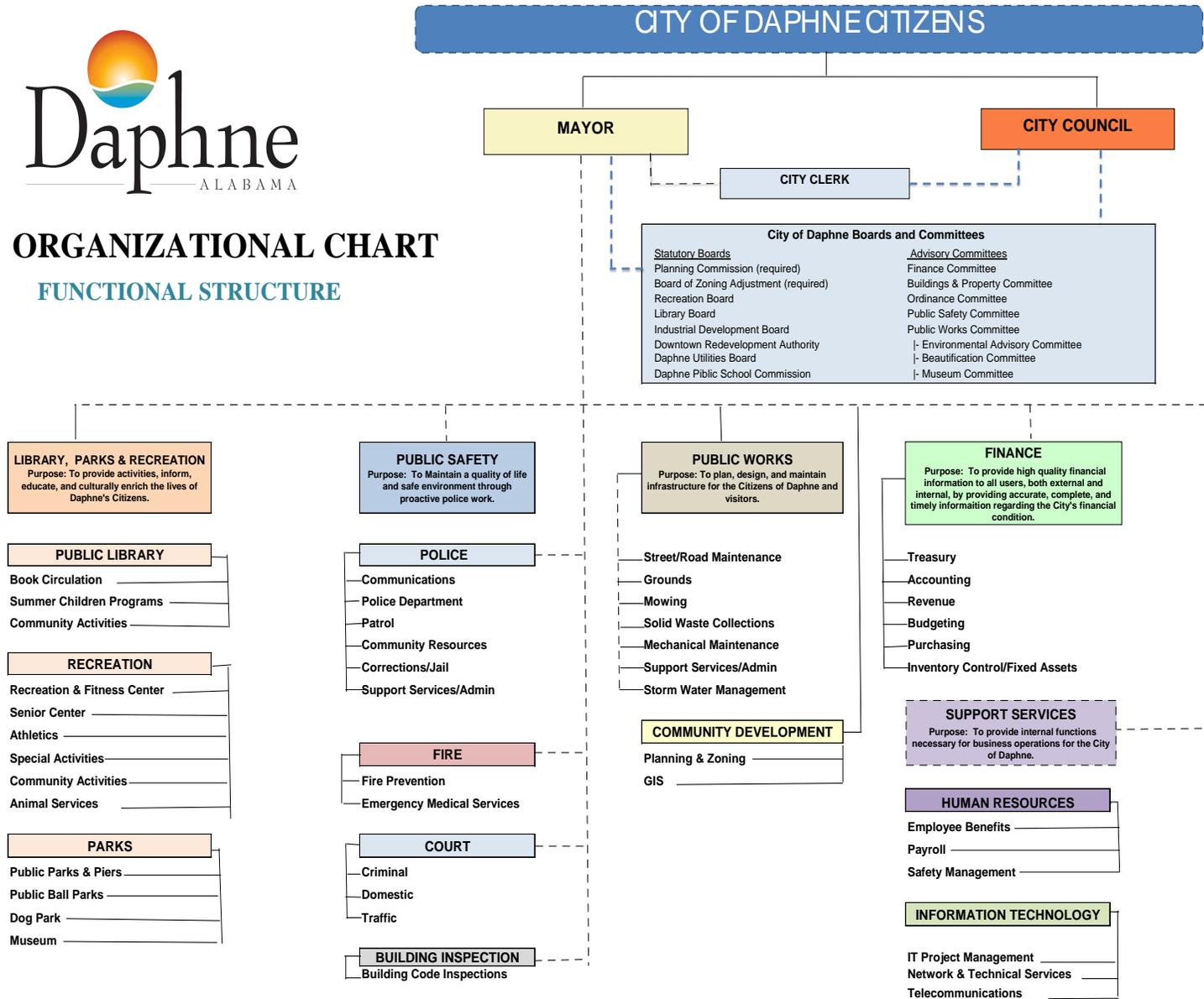
- Major Roads
- Streets
- Daphne





ORGANIZATIONAL CHART

FUNCTIONAL STRUCTURE



LIST OF PRINCIPAL OFFICIALS



Robin LeJeune, Mayor

CITY COUNCIL



Tommie Conaway
District 1



Steve Olen
District 2



Joel Coleman
District 3



Doug Goodlin
District 4



Ron Scott
District 5



Benjamin Hughes
District 6



Angie Phillips
District 7



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Daphne
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

Part II Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Robin LeJeune and the
City Council
City of Daphne, Alabama

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 Daphne, Alabama as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the City of Daphne, Alabama'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Daphne, Alabama, as of September 30, 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Daphne, Alabama, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of Daphne, Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 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, 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 of Daphne, Alabama'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 of Daphne, Alabama'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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 of Daphne, Alabama's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements 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 auditor's 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.

Avizo Group, Inc.

Certified Public Accountants

March 24, 2025
Fairhope, Alabama

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City's Annual Comprehensive Financial Report (ACFR) presents City management's discussion and analysis (MD&A) of the City's financial performance during the fiscal year that ended on September 30, 2024. Please read this in conjunction with the City's financial statements and accompanying notes, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the ACFR.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$204.8 million (net position). Of this amount, the City had unrestricted net position of \$37.2 million that is available to be used to meet the ongoing obligations of the City of Daphne.
- The City's net position of \$204.8 million reflected an increase of 13.8% (\$24.8 million) over the prior year's net position of \$180.0 million.
- The City's governmental funds reported a combined fund balance of \$48.1 million at the close of the current fiscal year, an increase of 21.0% (\$8.3 million) from the prior year.
- The City's General Fund reported a fund balance of \$31.0 million at the close of the current fiscal year, or 57.5% of total General Fund expenditures and other financing uses; total fund increased 12.1% (\$3.3 million) over the prior year. Total current year ending fund balances in the General Fund represented 54.2% of current fiscal year total revenues, and 59.5% of prior year total revenues.
- Ad valorem taxes increased by 17.1% (\$1.4 million) during the current fiscal year due to a large increase in both the number and assessed value of property within the City.
- Other significant changes in governmental funds revenue during the current fiscal year include grants and contributions that decreased by 18.1% (\$1.9 million) and other revenue that increased 103.7% (\$2.1 million). Overall, current fiscal year revenues increased 3.6% (\$2.2 million) over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis (this section), the basic financial statements, and the narrative notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the City's finances.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual elements of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term, as well as what remains for future spending.
 - Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses, such as the Civic Center.
 - Fiduciary funds statements convey information about financial relationships in which the City acts solely as a trustee for the benefit of others.

Government-Wide Statements

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies.

- The *Statement of Net Position* includes all of the government's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between the four reported as net position.
- All of the fiscal year's revenues and expenses are accounted for in the *Statement of Activities*, presenting the change in net position for the most recently completed fiscal year. All changes in net position (revenues and expenses) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

To assess the overall economic health of the City, additional non-financial factors, such as changes in the City's tax base, planning and zoning actions, and the condition of the City's roads, and other infrastructure, should be considered.

The government-wide financial statements of the City are divided into three categories:

- *Governmental activities*. Most of the City's basic services are included in this category, such as the services provided by the public safety, public works, culture and recreation, and general government functions. General revenues from sales and use taxes, licenses and permit fees, property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities*. The City charges fees to customers to help cover the costs of certain services it provides to the public. The City's Solid Waste and Civic Center operations are included in this category as enterprise funds.
- *Discretely Presented Component Units*. The City does not have any discretely presented or blended component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are groupings of related accounts the City uses to keep track of specific revenues and spending for particular activities or objectives.

- State law requires gasoline tax funds to be accounted for separately, because the expenditures are restricted for specific uses.
- The City Council establishes other funds to control the use of monies for particular purposes, such as taxes that are dedicated for specific purposes or repayment of long-term debt.
- The City also establishes funds to demonstrate compliance with certain legally restricted revenue sources, such as tracking debt-financed capital projects and the spending of grant revenues.

Fund Financial Statements (Continued)

The City has three kinds of funds:

- *Governmental funds.* Most of the City's basic services are accounted for in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash, flows in and out, and (2) the balances left at year-end that are available for spending in subsequent years. Consequently, the governmental funds statements provide a detailed, short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs following the completion of a fiscal year.

Because governmental fund information does not encompass the additional long-term focus of the government-wide 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. Doing so provides a better understanding of the long-term impact of the government's short-term funding decisions. Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for governmental funds provide a reconciliation to facilitate this comparison between governmental funds statements and government-wide statements on governmental activities.

- *Proprietary funds.* Services provided to the public for which customers are charged a fee are generally reported in enterprise funds, which are a type of proprietary fund. Proprietary funds' financial statements, like the government-wide statements, provide both long term and short-term financial information. Proprietary funds function like a business activity; therefore, the financial statements provide additional information, such as depreciation expense and cash flows, which are not presented for governmental funds.
- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The City adopts an annual budget for its General Fund and most other governmental funds. A budgetary comparison schedule for the General Fund and major special revenue governmental funds has been provided in the *Required Supplementary Information* section of this document. The other adopted annual budgets are included in the *Other Supplementary Information* section of this document.

Notes to the Financial Statements

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

Other Information

This report also presents required supplementary information related to the City's employee pension funding, other post-employment benefits, and budgetary comparison schedules for all major governmental funds. The combining statements of non major governmental funds, and non major proprietary funds are presented following the required supplementary information.

Net Position

The following is a condensed version of the City's government-wide Statement of Net Position as of September 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 59,813,397	\$ 52,483,058	\$ 733,845	\$ 1,104,364	\$ 60,547,242	\$ 53,587,422
Capital assets	191,204,367	167,835,631	1,495,471	1,535,447	192,699,838	169,371,078
Total assets	<u>251,017,764</u>	<u>220,318,689</u>	<u>2,229,316</u>	<u>2,639,811</u>	<u>253,247,080</u>	<u>222,958,500</u>
Deferred outflow of resources	7,993,430	10,594,043	553,911	698,962	8,547,341	11,293,005
Current liabilities	2,718,809	4,288,157	236,478	197,423	2,955,287	4,485,580
Long-term debt and other liabilities	50,371,428	44,834,297	1,662,328	2,026,748	52,033,756	46,861,045
Total liabilities	<u>53,090,237</u>	<u>49,122,454</u>	<u>1,898,806</u>	<u>2,224,171</u>	<u>54,989,043</u>	<u>51,346,625</u>
Deferred inflow of resources	1,761,879	2,432,750	277,547	507,728	2,039,426	2,940,478
Net Position:						
Net investment in capital assets	164,120,444	140,372,617	1,039,468	735,030	165,159,912	141,107,647
Restricted	2,357,611	1,968,303	-	-	2,357,611	1,968,303
Unrestricted	<u>37,681,023</u>	<u>37,016,608</u>	<u>(432,594)</u>	<u>(128,156)</u>	<u>37,248,429</u>	<u>36,888,452</u>
Total net position	<u>\$ 204,159,078</u>	<u>\$ 179,357,528</u>	<u>\$ 606,874</u>	<u>\$ 606,874</u>	<u>\$ 204,765,952</u>	<u>\$ 179,964,402</u>

The City's *combined* net position increased \$24.8 million over the prior year. Revenues increased \$8.9 million over the prior year with expenses only increasing \$4.2 million from 2023.

Net position may serve as a useful indicator of a government's financial position. The City's combined assets exceeded combined liabilities by \$204.8 million, at September 30, 2024. The combined net position reflects a current year total unrestricted net position of \$37.2 million.

The largest component of the City's current fiscal year net position (80.7%) is the investment in capital assets (i.e., infrastructure, land, buildings, equipment, etc.) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources required to repay the debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

1.2% of the City's current fiscal year net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$37.2 million, may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities

The following is a summary of the government-wide Statement of Activities for the year ended September 30, 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Program Revenues:						
Charges for services	\$ 9,943,891	\$ 9,347,507	\$ 2,393,335	\$ 2,308,492	\$ 12,337,226	\$ 11,655,999
Operating grants and contributions	189,775	167,414	-	36,000	189,775	203,414
Capital grants and contributions	19,453,847	13,592,279	-	-	19,453,847	13,592,279
General Revenues:						
Taxes	42,553,448	41,284,023	-	-	42,553,448	41,284,023
Other	2,516,668	1,352,133	22,266	52,437	2,538,934	1,404,570
Total Revenues	74,657,629	65,743,356	2,415,601	2,396,929	77,073,230	68,140,285
Expenses:						
General government	8,855,334	7,307,689	-	-	8,855,334	7,307,689
Public safety	17,698,102	16,919,393	-	-	17,698,102	16,919,393
Public works	13,153,225	13,260,770	-	-	13,153,225	13,260,770
Culture and recreation	7,705,074	6,621,960	-	-	7,705,074	6,621,960
Interest on long-term debt	1,075,580	589,454	-	-	1,075,580	589,454
Solid Waste	-	-	2,796,535	2,584,836	2,796,535	2,584,836
Civic Center	-	-	987,830	820,316	987,830	820,316
Total Expenses	48,487,315	44,699,266	3,784,365	3,405,152	52,271,680	48,104,418
Change in Net Position, before transfers	26,170,314	21,044,090	(1,368,764)	(1,008,223)	24,801,550	20,035,867
Transfers	(1,368,764)	(1,008,223)	1,368,764	1,008,223	-	-
Change in Net Position	24,801,550	20,035,867	-	-	24,801,550	20,035,867
Net position, beginning	179,357,528	159,089,380	606,874	606,874	179,964,402	159,696,254
Prior period adjustments	-	232,281	-	-	-	232,281
Net Position, end of year	\$ 204,159,078	\$ 179,357,528	\$ 606,874	\$ 606,874	\$ 204,765,952	\$ 179,964,402

Total net position reflected an increase of \$24.8 million over the prior year. This increase within the Statement of Activities includes a \$8.9 million dollar increase in revenues but only a \$4.2 increase in expenses. \$6.2 million of the increase in revenue is attributable to the capital grants and contributions, which includes a one-time donation of land to the City. Overall change in net position was higher than the prior year change in net position of \$20.0 million.

Governmental Activities

The comprehensive Statement of Activities is presented in a format that is significantly different from the traditional Statement of Revenues, Expenditures, and Changes in Fund Balance. Expenses are listed in the first column by function with revenues generated from the function reported to the right. This provides a total cost for each function. Next, revenues generated by each function are reported and deducted from the expenses. The result is the net revenue (expense) of the function, or the *Net Cost* for the activity. The *Net Cost* is the part of operations required to be funded by the taxpayers.

Governmental Activities (Continued)

Included in governmental activities are the following functions: General government, public safety, public works, culture and recreation, and interest on long-term debt.

The amount of funding required from general revenue sources (i.e., revenues other than fees, charges, grants, and other contributions, such as street, drainage, and other infrastructure acceptances) is presented below by function.

Uses of General Revenues		
Public safety	\$ 15,057,827	74.20%
Public works	(6,295,622)	-31.02%
General government	2,355,094	11.61%
Culture and recreation	6,706,923	33.05%
Interest on long-term debt	1,075,580	5.30%
Business-type activities	1,391,030	6.86%
	<u>\$ 20,290,832</u>	<u>100.00%</u>

Business-Type Activities

Revenues of the City's business-type activities do not always cover the costs of doing business, and therefore these activities require funding from general revenues (taxes, licenses, etc.).

The Civic Center Fund and Solid Waste Fund are funds that generally require such transfers. \$1.4 million was transferred to these activities in the current fiscal year. This is a large increase of over \$361,000 from the prior year.

\$560,000 was transferred to the Civic Center Fund in the current fiscal year, which was \$160,000 more than in fiscal year 2023. Revenue increased slightly by \$8,000 over prior year but was offset by a large increase in expenses of \$167,000. Personnel expenses increased \$51,000 and operating expenses increased \$116,000 over the prior fiscal year.

\$809,000 was transferred to the Solid Waste Fund in the current fiscal year. This was an increase of \$201,000 from the prior year. Garbage fees revenue collected increased \$33,000 from the prior year due to a small increase in customers resulting from new construction of residences. Overall expenses increased approximately \$220,000 over those of the prior year with the largest increases being \$135,000 for the purchase of new garbage carts and \$90,000 in depreciation costs.

FINANCIAL ANALYSIS OF CITY FUNDS

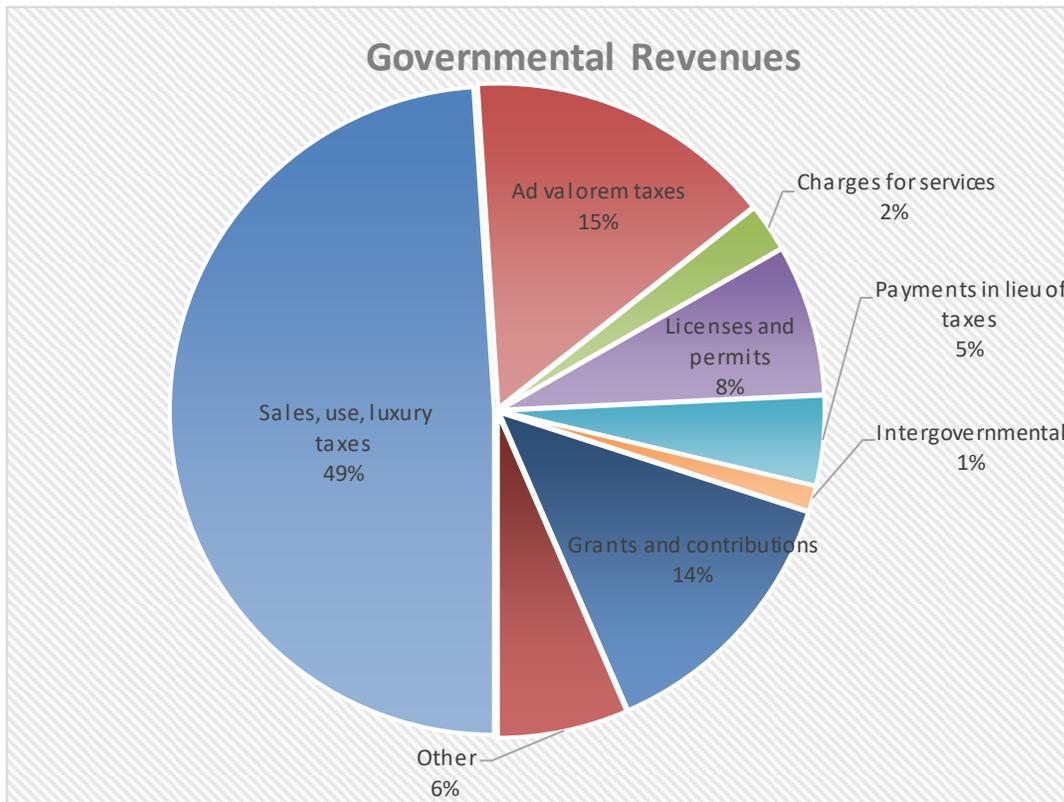
The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial requirements. Specifically, the unassigned fund balance may serve as a useful tool for the measurement of resources available for future needs, including a provision for emergencies or an accumulation of funds for the purchase of capital assets.

Governmental Funds

As the City completed the current fiscal year, its governmental funds reported a combined fund balance of \$48.1 million, a 20.1% (\$8.3 million) increase from the prior year.

Governmental Revenues

Total revenues of the governmental funds showed an increase of 3.6% (\$2.2 million) over the prior year. The City is heavily reliant on taxes to support governmental operations. The following graph presents a summary of governmental revenues sources:



Sales and use taxes are the largest source of revenues at 49%; Ad valorem taxes are the next largest at 15%; and grants and contributions are 14% of total revenues.

Governmental Revenues (Continued)

The change in revenues from the prior year is presented below:

	2024	2023	Variance	% Change
Sales, use, luxury taxes	\$ 31,299,164	\$ 30,947,186	\$ 351,978	1.1%
Ad valorem taxes	9,829,295	8,395,612	1,433,683	17.1%
Charges for services	1,519,771	1,258,531	261,240	20.8%
Licenses and permits	4,794,409	4,465,309	329,100	7.4%
Payments in lieu of taxes	2,848,749	3,039,655	(190,906)	-6.3%
Intergovernmental	807,808	969,601	(161,793)	-16.7%
Grants and contributions	8,648,169	10,564,306	(1,916,137)	-18.1%
Other	4,148,935	2,036,946	2,111,989	-103.7%
	<u>\$ 63,896,300</u>	<u>\$ 61,677,146</u>	<u>\$ 2,219,154</u>	<u>3.6%</u>

A discussion of significant increases and decreases follows:

- Ad valorem taxes increased \$1.4 million due to the continued growing population contributing to a large increase in both the number and assessed value of commercial and residential property within the City.
- Grants and contributions decreased \$1.9 million. In 2023, the City received a one-time \$4 million GOMESA grant for the purchase of real property.
- Other revenue increased \$2.1 million due to multiple reasons. Investment earnings and interest increased \$1.3 million over last year due to a strong investment market and high interest rates earned on our bank accounts. Additionally, miscellaneous revenue increased due to sales proceeds of \$1.5 million received in 2024 for the sale of real property. This increase in miscellaneous revenue was offset by \$575,000 payable being reversed in 2023 due to the project being postponed.

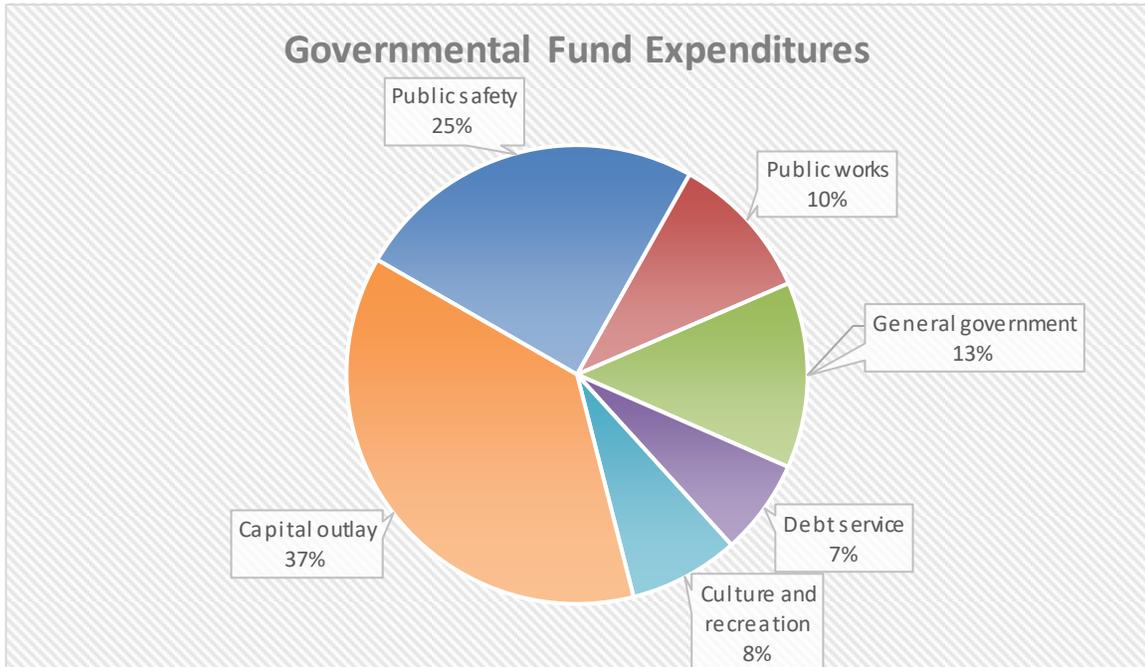
Governmental Expenditures

A summary of governmental expenditures is presented below:

Governmental Fund Expenditures		
Public safety	\$ 15,697,731	24.8%
Public works	6,566,794	10.4%
General government	8,299,571	13.1%
Debt service	4,257,345	6.7%
Culture and recreation	4,895,035	7.7%
Capital outlay	23,606,663	37.2%
	<u>\$ 63,323,139</u>	<u>100.0%</u>

Expenditures are graphically presented on the next page.

Governmental Expenditures (Continued)



This represents an increase in expenditures of 2.9% (\$1.8 million) over the prior year.

The principal drivers of this increase are an increase in general government expenditures of \$1.5 million over the prior year, a decrease of capital outlay expenditures of \$1.0 million over the prior year, an increase in debt service expenditures of \$745,000 over the prior year, and an increase in public safety expenditures of \$601,000 over the prior year.

- General government expenditures increased \$1.5 million. Personnel and related costs increased \$420,000 and overall operating costs increased \$1.1 million over the prior year. In FY 2024, there were two large one-time contributions to local agencies in the amount of \$700,000. The remainder of the increase was due to high inflationary pressures.
- Capital outlay expenditures decreased \$1.0 million. These expenditures vary from year to year based on the number of capital projects. There were slightly fewer capital projects and expenditures in FY 2024.
- Debt service expenditures increased \$745,000. In 2024, new debt was issued in the amount of \$8,895,000. Debt service on the 2023 Series General Obligation Warrant was \$695,000.
- Public safety expenditures increased \$601,000 mainly due to an increase of \$572,000 in personnel expenditures.

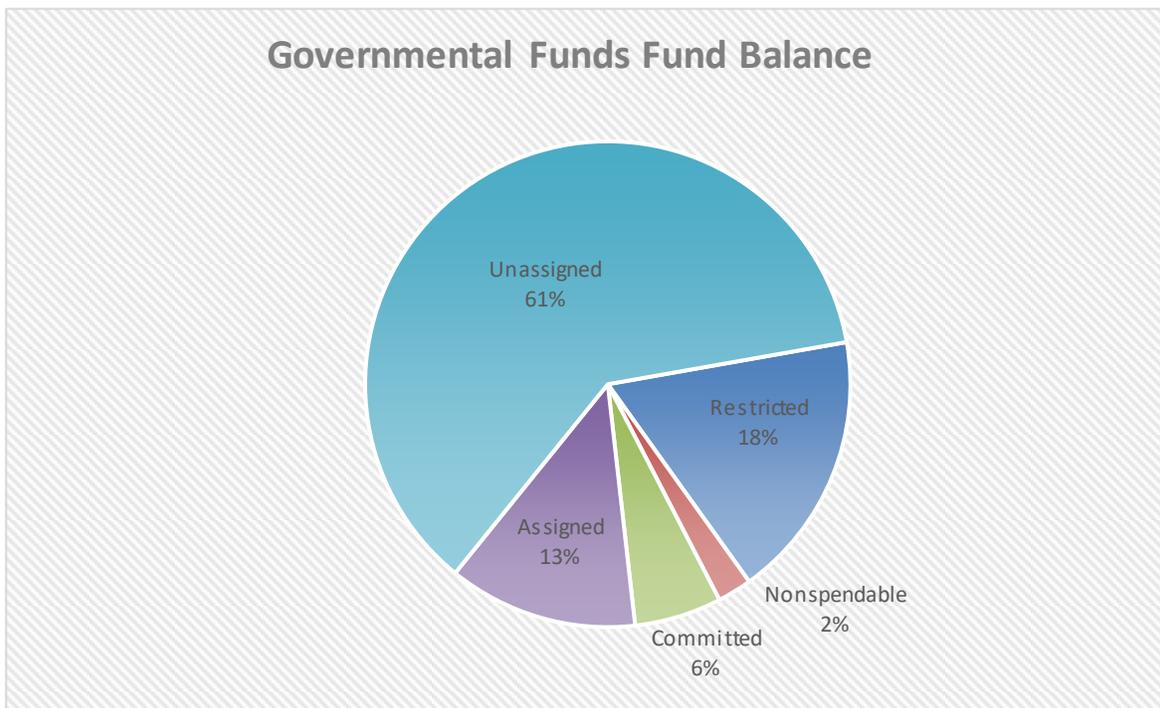
Departmental costs of \$35.5 million are the largest component of current fiscal year expenditures (56.0%). The department with the largest amount of governmental expenditures remains public safety at \$15.7 million (24.8% of total expenditures).

Personnel and related costs (included in departmental costs) make up over 39.0% of total expenditures and totaled \$24.0 million for the year.

Governmental Fund Balance

Total fund balance of the governmental funds as of September 30, 2024 is \$48.1 million. Of this amount, \$29.5 million is unassigned. An illustration of the total fund balance for governmental funds is presented below:

	2024	2023	Variance	% Change
Restricted	\$ 8,601,110	\$ 1,968,303	\$ 6,632,807	337.0%
Nonspendable	1,102,991	1,010,199	92,792	9.2%
Committed	2,795,946	5,702,265	(2,906,319)	-51.0%
Assigned	6,076,491	4,667,502	1,408,989	30.2%
Unassigned	29,542,597	26,427,718	3,114,879	11.8%
	<u>\$ 48,119,135</u>	<u>\$ 39,775,987</u>	<u>\$ 8,343,148</u>	<u>21.0%</u>



This represents a total fund balance increase of 21.0% (\$8.3 million) from the prior year. The General Fund fund balance increased 11.8% (\$3.1 million). The City has a healthy unassigned fund balance with a formal policy to maintain a minimum fund balance of three months of operating revenues. Excess fund balance over this minimum was \$15.2 million at the end of 2024. The large increase of 337.0% (\$6.6 million) in restricted fund balance from the prior year is attributable to the 2023 Construction Fund fund balance of \$6.2 million. This fund was created in FY 2024 from the 2023 Series General Obligation Warrants proceeds.

Proprietary Funds

The City’s proprietary funds are all categorized as enterprise operations, and consist of the Solid Waste Fund and Civic Center Fund. During the current fiscal year, \$1.4 million was transferred from the governmental funds to subsidize enterprise fund operations. This amount represents 36.4% of the total enterprise funds operating revenues and transfers in. The total amount of transfers increased \$361,000 from the prior fiscal year.

Proprietary Funds (Continued)

The Solid Waste Fund required transfers of \$809,000 during the current fiscal year, an increase of 33.1% (\$201,000) from the prior year.

The Civic Center Fund required transfers of \$400,000 during the current fiscal year, an increase of 39.9% (\$160,000) from the prior year.

A summary and comparison of the enterprise funds' operating results for the 2024 and 2023 fiscal years are presented below:

	Solid Waste		Civic Center		TOTAL	
	2024	2023	2024	2023	2024	2023
Fees and charges	\$ 1,976,337	\$ 1,943,011	\$ 411,318	\$ 361,441	\$ 2,387,655	\$ 2,304,452
Other receipts	11,200	33,800	16,746	58,677	27,946	92,477
Transfers	808,998	608,025	559,766	400,198	1,368,764	1,008,223
Revenues	2,796,535	2,584,836	987,830	820,316	3,784,365	3,405,152
Personnel	1,017,843	1,087,040	435,569	384,844	1,453,412	1,471,884
Operating	1,765,228	1,476,409	552,261	435,472	2,317,489	1,911,881
Interest	13,464	21,387	-	-	13,464	21,387
Expenses	2,796,535	2,584,836	987,830	820,316	3,784,365	3,405,152
Revenues Over (Under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Analysis of Changes in Major Funds

Major funds are funds whose total revenues, expenditures/expenses, assets or liabilities are at least 10 percent of corresponding totals for all funds of that category or type (governmental or enterprise fund) and at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The General Fund is always considered a major fund. The major funds presented are considered to be of particular importance to financial statement users. In addition to the General Fund, other funds determined to be major governmental funds are the Capital Reserve Fund, the Solid Waste Fund, and the 2023 Construction Fund. The Capital Reserve Fund and the Solid Waste Fund have been major funds for several years in a row. The 2023 Construction Fund was a new fund created in 2024 to report the expenditures related to warrant proceeds received from the issuance of the 2023 Series General Obligation Warrants. With the implementation of GASB Statement 87, *Leases*, the Civic Center Fund became a major fund in 2022 due to the recording of a significant long-term leasing agreement for the Civic Center facility and continued to be a major fund into 2023. It was not a major fund in 2024.

General Fund (Governmental)

At the end of the current fiscal year, the total fund balance of the City's General Fund increased 12.1% (\$3.3 million) over the prior year's ending balance. Fund balance reflects the cumulative excess of revenues and other financing sources over expenditures and other financing uses. The current fiscal year ending fund balance was \$31.0 million, compared to \$27.7 million at the end of the prior year.

General Fund (Governmental) (Continued)

Cash and cash equivalents (including equity in pooled cash) plus investments increased by 12.2% (\$2.9 million) during the current fiscal year, over the cash and cash equivalents plus investments amount for the prior year. The increase is a direct result of the increase in fund balance for the year and the current market which resulted in a large increase in the market value of our investment account.

As noted in others parts of the Management’s Discussion and Analysis, the \$3.3 million increase in fund balance is attributable to several things. Overall General Fund revenues increased \$5.1 million with expenses only increasing \$2.0 million. Ad Valorem taxes increased \$1.4 million due to the significant population growth and increase in number of households. The assessed value of property in the City increased 11.3% year over year. This was due to both new construction and also an overall increase in the value of property. The large decrease in grants of \$1.9 million was largely offset by capital outlay expenditures in the same amount. Other revenue increased \$2.1 million due to multiple reasons. Investment earnings and interest increased \$1.3 million over last year due to a strong investment market and high interest rates earned on our bank accounts. Additionally, miscellaneous revenue increased due to sales proceeds of \$1.5 million received in 2024 for the sale of real property. This increase in miscellaneous revenue was offset by \$575,000 payable being reversed in 2023 due to the project being postponed. These large increases in revenue helped offset the high inflationary costs the City experienced in its day-to-day operations.

Capital Reserve Fund (Governmental)

The Capital Reserve Fund reports financial resources transferred principally from the General Fund for capital purposes. The cash and cash equivalents increased \$1.6 million, which approximated the amount the fund balance increased from fiscal year 2023. When the City transfers money from the General Fund for capital projects it can take one to two years to expend all of the funds while the projects are ongoing. There was a significant amount of funding transferred in 2024 and the capital projects were still ongoing in 2024 and had not been completed. This resulted in the increase in cash and corresponding increase in fund balance.

2023 Construction Fund (Governmental)

The 2023 Construction Fund was created to record the expenditures related to the proceeds from the issuance of the 2023 Series General Obligation Warrants. The expenditures are to be spent to partially fund the construction of the new Animal Shelter and to expand and renovate the Justice Center. \$3.2 million dollars of the proceeds were expended in FY 2024.

Solid Waste (Proprietary)

The Solid Waste Fund is associated with the City’s self-collection of refuse and recycling materials. Total assets and liabilities in fiscal year 2024 are comparable to the amount in fiscal year 2023 and there is no change in net position as the City General Fund provides monthly transfers to help offset the operating loss of this fund.

General Fund Budgetary Highlights

The City adopts an annual budget each September for the upcoming fiscal year beginning in October. The City's management actively uses the budget as a financial management tool. The budget is integrated with the financial management system, enabling management at all levels to determine budgetary status on an ongoing line-item basis.

Detailed information for the General Fund budget is presented in the *Required Supplemental Information* section. The originally adopted budget reflected revenues over expenditures by \$1.1 million. The final amended budget reflected revenues under expenditures by \$6.4 million. Actual results reflect an excess of revenues over expenditures (budgetary basis) of \$3.2 million. This \$9.6 million positive variance is due to actual revenues in excess of budget estimates by \$6.5 million, and budgeted departmental personnel and operating costs under budget estimates by \$1.6 million and \$794,000, respectively. Capital outlay costs were under budget by \$19,000 and other financing sources (uses) were under budget by \$688,000.

Revenues - The significant components that produced the excess of actual revenues over final budgeted estimates of \$6.5 million are:

- Sales, use and luxury taxes – The City was very conservative in the budgeting process due to the uncertainty of a possible recession. The excess of actual over final budgeted estimates of \$2.1 million reflects the continued, strong local economy as evidenced by increasing business activity and population growth and no negative effects from the aforementioned concerns. Sales, use, and luxury taxes remained flat with an actual growth of only \$147,000 (0.5%) over fiscal year 2023.
- Licenses and permits – The City was very conservative in the budgeting process for this category due to the uncertainty of a possible recession and a downturn in the construction industry. The excess of actual over final budgeted estimates of \$918,000 reflects the current booming housing market with increased construction and housing improvements that continued into 2024 for the City. While revenue was significantly higher than budgeted amounts, actual licenses and permit revenue showed a steady growth compared to the prior year, with a \$329,000 increase.
- Interest and investment earnings – The excess of actual over the final budgeted amount of \$1.1 million is partly attributable to the performance of the City investment account, which rebounded from the prior year poor performance. Additionally, the City benefited from higher interest yields on its cash accounts. Due to the uncertainty of this revenue, the City is very conservative in the budgeting process.
- Miscellaneous – The excess of actual over final budgeted amounts of \$1.5 million is directly due to the one-time sale of real property that was not budgeted.

Departmental costs – Significant components that produced the excess of actual departmental expenditures under final budgeted amounts of \$2.4 million are:

- Personnel actual expenditures are under final budgeted amounts by \$1.6 million (6.1%). The personnel component of the budget is estimated based on all positions being filled for the full year; vacancies are experienced during the year, so this results in actual expenditures normally being less than the budgeted amounts. Similar to the difficult labor market experienced across the country, the City is experiencing high turnover and significant difficulties in filling vacant positions. Significant personnel under budget components (10% or greater) include:
 - General government – Executive (including merit allowance for employees) 16% (\$70,000); and Human Resources 21% (\$105,000)
 - Public safety – Detective 13% (\$304,000) and Code Enforcement 11% (\$16,000)

General Fund Budgetary Highlights (Continued)

- Public works – Streets 22% (\$248,000); Grounds 17% (\$185,000); City Engineer 18% (\$25,000); and MS4 Compliance 11% (\$24,000)
- Culture and recreation – Animal Shelter 22% (\$38,000); and Library 11% (\$117,000)
- Operating (including debt service) actual expenditures are less than final budgeted amounts by \$794,000 (7.1%). Significant operating expenditure components (more than 10% and \$10,000) include:
 - Finance 13% (\$24,000) under budget
 - Legal and Risk Management 32% (\$143,000) under budget
 - Detective 10% (\$24,000) under budget
 - Building inspections 38% (\$27,000) under budget
 - City Engineer 30% (\$22,000) under budget
 - Mechanic shop net reimbursed costs 49% (\$100,000) under budget
 - MS4 compliance 22% (\$14,000) under budget
 - Recreation Parks 10% (\$106,000) under budget
 - Senior Center Building 22% (\$20,000) under budget
 - Athletic and Fitness Programs 10% (\$20,000) under budget
 - Senior Center Programming 14% (\$13,000) under budget
 - Animal Shelter 26% (\$23,000) under budget

Other financing sources (uses) – Significant components that produced the excess of actual expenditures under final budgeted amounts of \$688,000 (6%) are:

- Transfers to Capital Reserve Fund – Actual expenditures are under final budgeted amounts by \$400,000. Transfers needed for the completion of capital projects were less than needed due to other funding sources being utilized.
- Transfers to the Solid Waste and Civic Center Fund - Actual expenditures are under final budgeted amounts by \$288,000. The General Fund provides monthly transfers to these proprietary funds to offset the operating losses. Monthly required transfers for the operating losses were \$384,000 less than budgeted in the Solid Waste and \$96,000 more than budgeted in the Civic Center Fund, respectively.

CAPITAL ASSET AND DEBT MANAGEMENT

Capital Assets

As of September 30, 2024, the City owned \$192.7 million (net of accumulated depreciation and amortization) in capital assets, invested in a broad range of asset types, including land, buildings, park facilities, roads and bridges, sidewalks, vehicles, and other equipment for governmental and business-type activities.

Capital Assets (Continued)

The following table summarizes the City's capital assets by asset type:

	Governmental Activities		Business-Type Activities		TOTAL		% Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 23,066,157	\$ 17,767,464	\$ -	\$ -	\$ 23,066,157	\$ 17,767,464	29.8%
Buildings	25,235,876	25,797,360	220,618	65,325	25,456,494	25,862,685	-1.6%
Other Improvements	26,232,987	23,583,506	-	-	26,232,987	23,583,506	11.2%
Machinery and Eqpt	5,968,319	5,851,938	1,273,853	1,466,592	7,242,172	7,318,530	-1.0%
Infrastructure	94,919,485	87,380,518	-	-	94,919,485	87,380,518	8.6%
Intangible Right-to-Use	318,157	426,559	-	-	318,157	426,559	-25.4%
Construction in Progress	15,463,386	7,028,286	-	3,530	15,463,386	7,031,816	119.9%
TOTAL	\$ 191,204,367	\$ 167,835,631	\$ 1,494,471	\$ 1,535,447	\$ 192,698,838	\$ 169,371,078	13.8%

Overall, during the current fiscal year, governmental capital assets, net of accumulated depreciation and amortization, showed an increase of 13.8% over prior year amounts.

For more detailed information on the City's capital assets, see Note 7 in the Notes to Financial Statements.

Long-Term Debt

As of September 30, 2024, the City owed \$30.8 million in long-term warrants outstanding, and \$887,000 in notes payable outstanding, of which \$3.1 million will mature during the upcoming fiscal year. The following table summarizes the long-term debt:

	Governmental Activities		Business-Type Activities		TOTAL	
	2024	2023	2024	2023	2024	2023
Warrants	\$30,808,902	\$24,650,442	\$ -	\$ -	\$ 30,808,902	\$ 24,650,442
Notes payable	431,043	711,717	456,003	800,417	887,046	1,512,134
	\$31,239,945	\$25,362,159	\$ 456,003	\$ 800,417	\$ 31,695,948	\$ 26,162,576

In fiscal year 2024, total principal payments on outstanding warrants amounted to \$2.7 million and the 2023 Warrants were issued in the amount of \$8,895,000 to partially fund the construction of a new animal shelter and to fund the expansion of the Justice Center.

There were no notes payable issued during the current fiscal year and total principal payments on outstanding notes payable amounted to \$625,000.

See 8 of the Notes to Financial Statements section for more detailed information concerning the City's debt issuances and debt outstanding.

Long-Term Debt (Continued)

Pursuant to State of Alabama statutes, the City's general obligation debt issuances are subject to a legal limitation of 20% of the net assessed real and personal property values. As of September 30, 2024, the City's permissible debt limit exceeded actual debt by \$122.7 million. This debt margin is \$8.5 million higher than the prior year debt margin.

Bond Ratings

In March 2010, the City received rating upgrades on its bond debt from the two major international rating agencies, Moody's Investor Services and Standard & Poor's Rating Services. The City's "stand-alone" rating (rating with no insurance) was upgraded by Moody's from A1 to Aa3 and by Standard & Poor's from A+ to AA. The ratings were affirmed in December 2011 with Standard & Poor's issuing an "AA Stable" rating. The City received a rating upgrade by Standard & Poor's to AA+ with the issuance of the 2014 General Obligation Refunding Warrants in November 2014. This rating with Standard & Poor's was reaffirmed in July 2016, May 2019, September 2020, and again in August 2023 with the issuance and/or refunding of debt.

Reasons cited for the upgrade included strong economy, strong budgetary performance, good financial policies and practices, and a strong debt profile. These ratings reflect the ongoing commitment of the City's elected officials and management staff to make wise, financially responsible decisions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current fiscal year 2025 General Fund budget reports an increase of 2.7% (\$684,500) in sales, use, and luxury taxes over the prior year budget. The City's sales and use tax revenue has been showing steady incremental increases with no significant effects from other economic conditions. The upcoming budget reflected this same increase in sales tax revenue. After four months of collections, actual collections are exceeding budgeted amounts.

Effective in fiscal year 2016, the City adopted a formal policy targeted to maintain a minimum unassigned fund balance equal to three months of operating revenues for the General Fund. For the upcoming fiscal year, this would equate to an unassigned fund balance of \$14.3 million. At the end of the current fiscal year, the unassigned fund Balance is 51.7% of the fiscal year 2024 General Fund revenues.

With an unassigned fund balance of the General Fund at the beginning of the upcoming fiscal year of \$29.5 million, the City Council continues to have the resource reserves to fund capital expenditures on a pay-as-you-go basis during the upcoming year.

There have been no significant changes made in the business-type activities through the first four months of the 2025 fiscal year. The City of Daphne continues to maintain a strong financial position that is aided by the continuing stable local economy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions regarding this report or any additional financial information should be directed to the Finance Director, Finance Department, City of Daphne, 1705 Main Street (PO Box 400) Daphne, Alabama, 36526.

Basic Financial Statements

These statements provide a summary overview of the financial position of all funds and the operating results by fund types for the City. They also serve as an introduction to the more detailed statements and schedules that follow. Separate columns are used for each fund type.

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash, equity in pooled cash	\$ 33,795,616	\$ 399,349	\$ 34,194,965
Investments	10,889,012	-	10,889,012
Receivables (net)	13,180,778	334,496	13,515,274
Due from Industrial Development Board	845,000	-	845,000
Inventories	510,629	-	510,629
Other assets	592,362	-	592,362
Capital assets:			
Non-depreciable	38,529,543	-	38,529,543
Depreciable, net	152,674,824	1,495,471	154,170,295
Total assets	<u>251,017,764</u>	<u>2,229,316</u>	<u>253,247,080</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post-employment benefits outflows	2,163,083	138,077	2,301,160
Deferred pension outflows	5,830,347	415,834	6,246,181
Total deferred outflows of resources	<u>7,993,430</u>	<u>553,911</u>	<u>8,547,341</u>

Total assets and deferred outflows of resources	<u>\$ 259,011,194</u>	<u>\$ 2,783,227</u>	<u>\$ 261,794,421</u>
---	-----------------------	---------------------	-----------------------

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

STATEMENT OF NET POSITION, CONTINUED
AS OF SEPTEMBER 30, 2024

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
LIABILITIES			
Accounts payable	\$ 1,671,742	\$ 111,716	\$ 1,783,458
Accrued liabilities	693,540	34,999	728,539
Accrued interest payable	239,844	4,068	243,912
Bond deposits	113,683	-	113,683
Unearned revenue	-	85,695	85,695
Non-current liabilities:			
Due within one year:			
Compensated absences	282,516	13,531	296,047
Notes payable	152,217	254,612	406,829
Bonds payable	2,657,770	-	2,657,770
Due in more than one year:			
Other post-employment benefits liability	5,342,759	381,162	5,723,921
Net pension liability	11,230,387	802,611	12,032,998
Lease liabilities	303,480	-	303,480
Compensated absences	188,344	9,021	197,365
Notes payable	278,826	201,391	480,217
Bonds payable	29,935,129	-	29,935,129
Total liabilities	<u>53,090,237</u>	<u>1,898,806</u>	<u>54,989,043</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	86,334	23,646	109,980
Deferred lease inflows	353,452	169,130	522,582
Deferred other post-employment benefits inflows	1,322,093	84,771	1,406,864
Total deferred inflows of resources	<u>1,761,879</u>	<u>277,547</u>	<u>2,039,426</u>
NET POSITION			
Net investment in capital assets	164,120,444	1,039,468	165,159,912
Restricted for:			
Debt service	540,576	-	540,576
Law enforcement	377,713	-	377,713
Court and corrections	387,694	-	387,694
Streets and drainage	967,224	-	967,224
Other purposes	84,404	-	84,404
Unrestricted	37,681,023	(432,594)	37,248,429
Total net position	<u>204,159,078</u>	<u>606,874</u>	<u>204,765,952</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 259,011,194</u>	<u>\$ 2,783,227</u>	<u>\$ 261,794,421</u>

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,855,334	\$ 6,481,284	\$ 18,956	\$ -
Public safety	17,698,102	2,494,841	42,890	102,544
Public works	13,153,225	97,044	500	19,351,303
Culture and recreation	7,705,074	870,722	127,429	-
Interest and costs on long-term debt	1,075,580	-	-	-
Total governmental activities	<u>48,487,315</u>	<u>9,943,891</u>	<u>189,775</u>	<u>19,453,847</u>
Business-type activities:				
Solid Waste	2,796,535	1,976,337	-	-
Civic Center	987,830	416,998	-	-
Total business-type activities	<u>3,784,365</u>	<u>2,393,335</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 52,271,680</u>	<u>\$ 12,337,226</u>	<u>\$ 189,775</u>	<u>\$ 19,453,847</u>

General revenues and transfers:

Sales, use, and luxury taxes

Ad valorem taxes

Investment gain and interest earnings

Miscellaneous revenue

Gain on disposal of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

STATEMENT OF ACTIVITIES - CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,355,094)	\$ -	\$ (2,355,094)
(15,057,827)	-	(15,057,827)
6,295,622	-	6,295,622
(6,706,923)	-	(6,706,923)
(1,075,580)	-	(1,075,580)
<u>(18,899,802)</u>	<u>-</u>	<u>(18,899,802)</u>
-	(820,198)	(820,198)
-	(570,832)	(570,832)
<u>-</u>	<u>(1,391,030)</u>	<u>(1,391,030)</u>
<u>(18,899,802)</u>	<u>(1,391,030)</u>	<u>(20,290,832)</u>
31,802,321	-	31,802,321
10,751,127	-	10,751,127
1,768,401	11,066	1,779,467
105,467	-	105,467
642,800	11,200	654,000
<u>(1,368,764)</u>	<u>1,368,764</u>	<u>-</u>
<u>43,701,352</u>	<u>1,391,030</u>	<u>45,092,382</u>
24,801,550	-	24,801,550
<u>179,357,528</u>	<u>606,874</u>	<u>179,964,402</u>
<u>\$ 204,159,078</u>	<u>\$ 606,874</u>	<u>\$ 204,765,952</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2024

	General Fund	Capital Reserve Fund	2023 Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, equity in pooled cash	\$ 16,131,099	\$ 5,788,457	\$ 6,466,684	\$ 5,409,376	\$ 33,795,616
Investments	10,889,012	-	-	-	10,889,012
Taxes receivable	12,387,372	-	-	191,654	12,579,026
Grants receivable	44,438	120,861	-	-	165,299
Other receivables	74,787	-	-	8,214	83,001
Lease receivables	226,589	-	-	126,863	353,452
Due from Industrial Development Board	845,000	-	-	-	845,000
Inventories	510,629	-	-	-	510,629
Other assets	592,362	-	-	-	592,362
Total assets	<u>\$ 41,701,288</u>	<u>\$ 5,909,318</u>	<u>\$ 6,466,684</u>	<u>\$ 5,736,107</u>	<u>\$ 59,813,397</u>
LIABILITIES					
Accounts payable	\$ 936,703	\$ 230,000	\$ 223,185	\$ 281,854	\$ 1,671,742
Accrued liabilities	693,074	-	-	466	693,540
Bond deposits	-	-	-	113,683	113,683
Total liabilities	<u>1,629,777</u>	<u>230,000</u>	<u>223,185</u>	<u>396,003</u>	<u>2,478,965</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - leases	226,589	-	-	126,863	353,452
Deferred revenue - property taxes	8,861,845	-	-	-	8,861,845
Total deferred inflows of resources	<u>9,088,434</u>	<u>-</u>	<u>-</u>	<u>126,863</u>	<u>9,215,297</u>
FUND BALANCES					
Nonspendable	1,102,991	-	-	-	1,102,991
Restricted	-	-	6,243,499	2,357,611	8,601,110
Committed	-	-	-	2,795,946	2,795,946
Assigned	337,489	5,679,318	-	59,684	6,076,491
Unassigned	29,542,597	-	-	-	29,542,597
Total fund balances	<u>30,983,077</u>	<u>5,679,318</u>	<u>6,243,499</u>	<u>5,213,241</u>	<u>48,119,135</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 41,701,288</u>	<u>\$ 5,909,318</u>	<u>\$ 6,466,684</u>	<u>\$ 5,736,107</u>	<u>\$ 59,813,397</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024**

Total fund balances, governmental funds		\$ 48,119,135
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Governmental capital assets	\$ 355,857,809	
Less: accumulated depreciation and amortization	<u>(164,653,442)</u>	191,204,367
Other assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		
Deferred pension and post-employment benefits outflows		7,993,430
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Bonds and warrants payable	(30,808,902)	
Bond premium	(1,783,997)	
Notes payable	(431,043)	
Compensated absences	(470,860)	
Intangible right-to-use lease liability	(303,480)	
Accrued interest	<u>(239,844)</u>	(34,038,126)
Other post-employment benefits are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Other post-employment benefits liability	(5,342,759)	
Net pension liability	(11,230,387)	
Deferred inflows of resources	<u>(1,408,427)</u>	(17,981,573)
Revenues will be collected after year-end, but are not available soon enough to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Property taxes	<u>8,861,845</u>	<u>8,861,845</u>
Net position of governmental activities in the Statement of Net Position		<u>\$ 204,159,078</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Capital Reserve Fund	2023 Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Sales, use, luxury	\$ 28,336,330	\$ -	\$ -	\$ 2,962,834	\$ 31,299,164
Ad valorem	9,829,295	-	-	-	9,829,295
Total taxes	38,165,625	-	-	2,962,834	41,128,459
Licenses and permits	4,794,409	-	-	-	4,794,409
Payments in lieu of taxes	2,848,749	-	-	-	2,848,749
Fines and forfeitures	354,028	-	-	426,934	780,962
Charges for services	1,297,768	-	-	222,003	1,519,771
Intergovernmental	503,157	260,601	-	44,050	807,808
Grants	79,360	2,088,320	-	137,600	2,305,280
Interest and investment earnings	1,254,887	57,752	398,995	56,766	1,768,400
Contributions	6,289,318	10,000	-	43,571	6,342,889
Miscellaneous	1,599,573	-	-	-	1,599,573
Total revenues	57,186,874	2,416,673	398,995	3,893,758	63,896,300
EXPENDITURES					
Current:					
General government	7,421,683	978	-	876,910	8,299,571
Public safety	15,624,483	-	-	73,248	15,697,731
Public works	6,524,073	30,348	-	12,373	6,566,794
Culture and recreation	4,553,296	-	-	341,739	4,895,035
Capital outlay	7,912,919	8,047,223	3,162,737	4,483,784	23,606,663
Debt service:					
Principal	95,772	-	-	3,017,214	3,112,986
Interest	25,332	-	-	987,517	1,012,849
Cost of debt issuance	-	-	-	131,510	131,510
Total expenditures	42,157,558	8,078,549	3,162,737	9,924,295	63,323,139
Excess (deficiency) of revenues over (under) expenditures	15,029,316	(5,661,876)	(2,763,742)	(6,030,537)	573,161
OTHER FINANCING SOURCES (USES)					
Transfers in	-	6,928,643	9,007,241	4,097,449	20,033,333
Transfers out	(11,694,856)	-	-	(9,707,241)	(21,402,097)
Issuance of debt	-	-	-	8,895,000	8,895,000
Premium on warrant	-	-	-	243,751	243,751
Total other financing sources (uses)	(11,694,856)	6,928,643	9,007,241	3,528,959	7,769,987
Net change in fund balances	3,334,460	1,266,767	6,243,499	(2,501,578)	8,343,148
Fund balances, beginning	27,648,617	4,412,551	-	7,714,819	39,775,987
Fund balances, ending	\$ 30,983,077	\$ 5,679,318	\$ 6,243,499	\$ 5,213,241	\$ 48,119,135

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balances, total governmental funds		\$ 8,343,148
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 costs of those assets are depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 23,606,663	
Contributions of capital assets	10,835,416	
Less current year depreciation and amortization	<u>(10,222,038)</u>	24,220,041
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		
Property taxes	921,833	
Grant revenue	<u>(144,615)</u>	777,218
In the Statement of Activities only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.		
Gain on the disposal of assets	642,800	
Proceeds from the sale of assets	<u>(1,494,105)</u>	(851,305)
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 the governmental funds.		
Change in post-employment benefits and deferred inflows of resources	659,010	
Amortization of premium	161,356	
Change in net pension liability and deferred inflows of resources	253,692	
Change in compensated absences	(42,655)	
Change in accrued interest	<u>(92,577)</u>	938,826
Some expenditures reported in governmental funds are to be paid on a long-term basis and therefore are not reported as expenses in the Statement of Activities.		
Change in deferred outflows - post-employment benefits	(589,575)	
Change in deferred outflows - employer retirement contributions	<u>(2,011,038)</u>	(2,600,613)

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES, CONTINUED**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bond, note and lease proceeds	(8,895,000)	
Bond premium	(243,751)	
Principal and other debt service payments	3,112,986	(6,025,765)
Change in net position of governmental activities		<u>\$ 24,801,550</u>

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



THIS PAGE LEFT INTENTIONALLY BLANK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2024

	Major Fund		Total
	Solid Waste	Civic Center	
ASSETS			
Current assets:			
Cash, equity in pooled cash	\$ 274,798	\$ 124,551	\$ 399,349
Due from Utilities Board	163,378	-	163,378
Other receivables	1,988	-	1,988
Lease receivables	-	169,130	169,130
Total current assets	<u>440,164</u>	<u>293,681</u>	<u>733,845</u>
Noncurrent assets:			
Capital assets:			
Facilities	105,053	307,839	412,892
Vehicles	3,425,895	15,828	3,441,723
Rental equipment and supplies	-	12,950	12,950
Equipment and office furniture	92,370	183,176	275,546
Total capital assets	<u>3,623,318</u>	<u>519,793</u>	<u>4,143,111</u>
Less: accumulated depreciation	<u>(2,388,098)</u>	<u>(259,542)</u>	<u>(2,647,640)</u>
Total noncurrent assets	<u>1,235,220</u>	<u>260,251</u>	<u>1,495,471</u>
Total assets	<u>1,675,384</u>	<u>553,932</u>	<u>2,229,316</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred other post-employment benefits outflows	107,478	30,599	138,077
Deferred pension outflows	316,212	99,622	415,834
Total deferred outflows of resources	<u>423,690</u>	<u>130,221</u>	<u>553,911</u>
Total assets and deferred outflows of resources	<u>\$ 2,099,074</u>	<u>\$ 684,153</u>	<u>\$ 2,783,227</u>

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

STATEMENT OF NET POSITION, CONTINUED
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2024

	Major Fund		Total
	Solid Waste	Civic Center	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 49,039	\$ 62,677	\$ 111,716
Accrued liabilities	23,910	11,089	34,999
Interest payable	4,068	-	4,068
Unearned revenue	-	85,695	85,695
Compensated absences	8,927	4,604	13,531
Notes payable - current	254,612	-	254,612
Total current liabilities	340,556	164,065	504,621
Noncurrent liabilities:			
Notes payable - noncurrent	201,391	-	201,391
Compensated absences	5,952	3,069	9,021
Net pension liability	592,903	209,708	802,611
Other post-employment benefits liability	264,699	116,463	381,162
Total noncurrent liabilities	1,064,945	329,240	1,394,185
Total liabilities	1,405,501	493,305	1,898,806
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	17,939	5,707	23,646
Deferred lease inflows	-	169,130	169,130
Deferred other post-employment benefits inflows	68,760	16,011	84,771
Total deferred inflows of resources	86,699	190,848	277,547
NET POSITION			
Net investment in capital assets	779,217	260,251	1,039,468
Unrestricted net position	(172,343)	(260,251)	(432,594)
Total net position	606,874	-	606,874
Total liabilities, deferred inflows of resources, and net position	\$ 2,099,074	\$ 684,153	\$ 2,783,227

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Fund		Total
	Solid Waste	Civic Center	
OPERATING REVENUES			
Charges for services	\$ 1,976,337	\$ 411,318	\$ 2,387,655
Community events	-	5,680	5,680
Total operating revenues	1,976,337	416,998	2,393,335
OPERATING EXPENSES			
Wages	621,721	284,617	906,338
Overtime	31,205	8,294	39,499
Payroll related	158,341	70,427	228,768
Other personnel expense	206,576	72,231	278,807
Total personnel services	1,017,843	435,569	1,453,412
Advertising	25,056	1,355	26,411
Depreciation	560,605	21,873	582,478
Employee supplies and uniforms	7,964	761	8,725
Employee support	5,973	1,989	7,962
Equipment purchases, rentals, lease	11,072	27,985	39,057
Fuel	141,957	1,335	143,292
Garbage and recycle containers	196,419	-	196,419
Garbage and debris removal	-	4,047	4,047
Insurance	48,318	21,539	69,857
Landfill fees	336,067	-	336,067
Maintenance	346,494	270,441	616,935
Miscellaneous	543	-	543
Supplies	22	18,643	18,665
Other services	81,086	23,745	104,831
Professional services	3,000	23,665	26,665
Trustee assignments	-	10,350	10,350
Utilities	652	124,533	125,185
Total operating expenses	2,783,071	987,830	3,770,901
Operating loss	(806,734)	(570,832)	(1,377,566)
NON OPERATING REVENUES (EXPENSES)			
Gain on sale of assets	11,200	-	11,200
Interest income	-	11,066	11,066
Interest expense	(13,464)	-	(13,464)
Total non-operating revenues (expenses)	(2,264)	11,066	8,802
Loss before transfers	(808,998)	(559,766)	(1,368,764)
Transfers from other funds	808,998	559,766	1,368,764
Change in net position	-	-	-
Total net position, beginning	606,874	-	606,874
Total net position, ending	\$ 606,874	\$ -	\$ 606,874

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Fund		Total
	Solid Waste	Civic Center	
Cash flows from operating activities:			
Receipts from customers	\$ 1,972,295	\$ 420,834	\$ 2,393,129
Payments to suppliers	(1,186,953)	(515,490)	(1,702,443)
Payments to employees	(950,138)	(402,392)	(1,352,530)
Net cash used in operating activities	(164,796)	(497,048)	(661,844)
Cash flows from noncapital financing activities:			
Net contributions from other funds	808,998	559,766	1,368,764
Grant revenue	-	36,000	36,000
Net cash provided by noncapital financing activities	808,998	595,766	1,404,764
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(344,414)	-	(344,414)
Interest paid on capital debt	(15,897)	-	(15,897)
Purchases of capital assets	(359,303)	(183,199)	(542,502)
Proceeds from disposal of capital assets	11,200	-	11,200
Net cash used in capital and financing activities	(708,414)	(183,199)	(891,613)
Cash flows from investing activities:			
Interest income	-	11,066	11,066
Net cash provided by investing activities	-	11,066	11,066
Net change in cash and cash equivalents	(64,212)	(73,415)	(137,627)
Equity in pooled cash, beginning	339,010	197,966	536,976
Equity in pooled cash, ending	\$ 274,798	\$ 124,551	\$ 399,349

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS, CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Fund		Total
	Solid Waste	Civic Center	
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (806,734)	\$ (570,832)	\$ (1,377,566)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation expense	560,605	21,873	582,478
Change in assets and liabilities:			
Receivables	(4,042)	200,934	196,892
Deferred outflows of resources	101,409	43,642	145,051
Accounts payable	17,670	14,898	32,568
Accrued expenses	2,283	2,801	5,084
Unearned revenue	-	3,836	3,836
Compensated absences	(589)	752	163
Deferred inflows of resources	(21,033)	(209,148)	(230,181)
Net pension liability	(5,693)	(2,538)	(8,231)
Other post-employment benefits liability	(8,672)	(3,266)	(11,938)
	<u>\$ (164,796)</u>	<u>\$ (497,048)</u>	<u>\$ (661,844)</u>
Net cash used in operating activities	<u>\$ (164,796)</u>	<u>\$ (497,048)</u>	<u>\$ (661,844)</u>

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2024

	OPEB Trust Fund	Custodial Confiscated Funds
ASSETS		
Cash, equity in pooled cash	\$ 60,815	\$ 9,189
Investments:		
Equities	434,958	-
Other - marketable	58,307	-
Fixed Income	1,086,213	-
Total investments	1,579,478	-
Total assets	1,640,293	9,189
LIABILITIES		
Accounts payable	-	9,189
Total liabilities	-	9,189
NET POSTION		
Restricted for:		
Other post employment benefits	1,640,293	-
Total net position	1,640,293	-
Total liabilities and net postion	\$ 1,640,293	\$ 9,189

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	OPEB Trust Fund	Custodial Confiscated Funds
Additions:		
Employer contributions	\$ 250,000	\$ -
Investment income:		
Net increase in fair value of investments	172,408	-
Interest and dividends	46,106	-
Net investment income	218,514	-
Total additions	468,514	-
 Deductions:		
Administrative expense	7,292	-
Total deductions	7,292	-
Net increase in fiduciary net position	461,222	-
Net position - beginning	1,179,071	-
Net position - ending	\$ 1,640,293	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

INDEX

	Page
NOTE 1 Summary of Significant Accounting Policies	54
NOTE 2 Cash, Equity in Pooled Cash and Cash Equivalents	66
NOTE 3 Deposits and Investments	66
NOTE 4 Receivables	67
NOTE 5 Due from Industrial Development Board of the City of Daphne	68
NOTE 6 Inventories	68
NOTE 7 Capital Assets	68
NOTE 8 Long Term Debt	70
NOTE 9 Leases	73
NOTE 10 Interfund Transfers	75
NOTE 11 Fund Balances	76
NOTE 12 Pension Plan – Defined Benefit Pension Plan	77
NOTE 13 Other Post-Employment Benefits	84
NOTE 14 Deferred Compensation Plans	90
NOTE 15 Construction Commitments	90
NOTE 16 Non-Monetary Transactions	90
NOTE 17 Encumbrance Commitments	90
NOTE 18 Concentration – Revenue Source	90
NOTE 19 Litigation	91
NOTE 20 City of Daphne Utilities Board – Related Party	91
NOTE 21 Property Taxes	91
NOTE 22 Federal and State Grants	91
NOTE 23 Risk Management	92
NOTE 24 Fair Value Disclosures	92
NOTE 25 Subsequent Events	93

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Daphne, Alabama (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to municipal governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. Reporting Entity

The City of Daphne, Alabama was incorporated in 1927 under the laws of the State of Alabama. The City is located in Baldwin County on the eastern shore of Mobile Bay. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture, recreation, public improvements, planning, zoning, and general administrative services.

As required by Governmental Accounting Standards Board (GASB) Statement No. 61, the accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Component units are included in the reporting entity because of the significance of their operational relationship with the primary government. 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 organization's 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. Lastly, even if the primary government is not financially accountable, an organization should be included if its exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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 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. 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 or blended component units that meet the above criteria.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Related Organizations

The City's officials are responsible for appointing the members of the board of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The following organizations are related organizations that are excluded from the reporting entity:

- Utilities Board of the City of Daphne
- Industrial Development Board
- Downtown Redevelopment Authority
- Library Board
- Planning Commission
- Recreation Board
- Daphne Public School Commission
- Board of Zoning Adjustment

B. Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statement) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, culture and recreation, etc.), which are otherwise being supported by general government revenues (sales and use taxes, ad valorem taxes, payments in lieu of taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. The program revenues must be directly associated with the function or business-type activity. Program revenues include charges for services, fees, and fines and forfeitures. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The remaining net expenses (by function or business-type activity) are normally covered by general revenue (ad valorem, sales and use taxes, intergovernmental revenues, interest income, etc.)

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. The funds are normally budgeted in this manner. This presentation is deemed most appropriate to demonstrate (a) legal and covenant compliance, (b) the source and use of liquid resources, and (c) how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's fiduciary funds are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, deferred outflows, fund balance, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

1. Governmental Funds

The measurement focus of the governmental funds (in the fund financial statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. All debt repayment transactions of the City flow through this fund.

Special Revenue Funds – The special revenue funds are used 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.

Capital Projects Funds – The capital projects funds are used to account for financial resources to be used for the acquisition/construction of capital facilities and infrastructure (other than those financed by proprietary funds and trust funds).

2. Proprietary Funds

The proprietary funds account for activities for which a fee is charged to external users for goods and services. The focus of proprietary fund measurement is on determination of operating income, changes in net fund assets, financial position, and cash flows, which is similar to businesses. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for all of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Funds

Fiduciary funds are used to report assets held by the City as trustee or agent for individuals, other governments and/or other funds. These assets are held in a trust capacity for the various beneficiaries and cannot be used to support the City's programs. These funds include the Other Post-Employment Benefits (OPEB) Trust Fund and Confiscated Funds Fund. The OPEB Trust Fund is associated with the administration of the City of Daphne Retiree Benefits Plan that is used to provide other post-employment benefits for all permanent full-time employees of the City. The Confiscated Funds Fund is a custodial fund that temporarily houses funds that have been seized by the Daphne Police Department. Funds are released by a court order.

4. Major Funds

GASB Statement No.34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements section.

The City reports the following major governmental funds:

- The General Fund (See note on previous page).
- The Capital Reserve Fund – Financial resources are transferred from the General Fund (principally) for capital purposes, such as road resurfacing and other capital projects.
- The 2023 Construction Fund – This fund records the activity from the proceeds of the issuance of the 2023 Warrants. Funds are to be used for the construction of a new animal shelter and the expansion and renovation of the Justice Center.

The City reports the following major proprietary fund:

- The Solid Waste Fund - This fund is associated with the City's self-collection of refuse and recycling materials.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues, expenditures, expenses, and transfers (and assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statement are presented on a modified accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Accrual Basis - Revenues are recognized when earned and expenses are recognized when incurred.
2. Modified Accrual Basis - Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual; i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City defines the length of time used for “available” (for purposes of revenue recognition in the governmental fund financial statements), to be thirty (30) to sixty (60) days. The major revenue source that is susceptible to the sixty (60) day accrual period is property taxes. The revenues collected in October and November are considered to be revenues that pay for liabilities as of September 30. Sales and use taxes, lodging taxes, and certain intergovernmental revenues are subject to a thirty (30) day accrual as those collections made in October are paid by businesses for September’s actual sales. Each year’s budget and actual financial statements include revenues collected over a twelve-month period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, which is in conformity with accounting principles generally accepted in the United States of America, with the exception that general long-term obligation principal and interest are reported when due.

E. Assets, Liabilities, and Fund Balance/Net Position

1. Cash and Cash Equivalents

The City’s cash includes cash on hand and demand deposits. At September 30, 2024, all bank balances were entirely insured and/or collateralized and/or guaranteed by the full faith and credit of the United States government. All financial institutions holding the City’s funds (deemed public funds) are members of the Security for Alabama Funds Enhancement (SAFE) pool established in the office of the State Treasurer. This plan became effective January 1, 2001.

The City’s cash management pool is treated as a cash equivalent for financial reporting purposes because each individual fund can deposit additional cash or make withdrawals (at any time) without prior notice or penalty.

2. Deposits and Investments

State statutes authorize the City to invest in deposit accounts and certificates of deposits with banks, direct obligations of the United States Treasury Department, and obligations of certain other federal agencies.

All investments, except nonnegotiable certificates of deposits, are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities or money market accounts traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The unrealized gain or loss in investments is reflected in investment earnings.

Nonnegotiable certificates of deposits with redemption terms that do not consider market rates are reported at cost.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Accounts Receivable

Accounts receivable are recorded in the governmental activities and business-type activities, and are reflected net of an allowance for doubtful accounts. As of September 30, 2024, all accounts receivable were considered fully collectible; therefore, no allowance was recorded.

4. Due From/Due to Other Funds

Accounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as “internal balances.”

5. Inventories and Prepaid Items

Inventory held consists of vehicle fuel and repair parts for all City equipment and vehicles. A physical inventory system is in place that establishes a base inventory level of mechanical department parts and supplies in addition to the fuel inventory. Inventories are recorded as an asset in the General Fund, and the cost of inventories is recorded as an expenditure at the time used. Inventories are valued using the average cost method. Appropriate adjustments have been recorded for obsolete and surplus items.

Certain payments to vendors for services that will benefit periods beyond September 30, 2024 are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

6. Restricted Assets

The City is obligated by various sources to restrict the availability of certain assets. Specifically, assets are restricted from external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Assets are also subject to restriction through constitutional law provisions or enabling legislation. City net position is restricted for debt service, capital projects, and certain funds that are restricted by state law.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City’s policy defines capital assets as assets with an initial, individual cost of more than \$5,000 - \$50,000 (depending on asset type) and an estimated useful life in excess of three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Buildings	25 to 50 years
Other improvements	5 to 25 years
Infrastructure (drainage, streets, bridges, sidewalks and docking)	20 to 30 years
Infrastructure (utilities and landscaping)	5 to 20 years
Machinery and equipment	3 to 10 years
Automotive equipment	5 to 10 years
Office equipment	3 to 10 years

8. Bond Discounts, Bond Premiums, and Issuance Costs

In the governmental funds, bond discounts and bond premiums are treated as period costs in the year of issue. Bond discounts and premiums are shown as an “Other Financing Sources (Uses).”

In the proprietary funds (and for the governmental activities, in the government-wide statements), bond discounts and bond premiums are amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the bonds payable.

Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

9. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions

Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from the difference between projected and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan’s total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees who are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions and amortized over twelve months. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Unearned revenue

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned, but not available, is reported as a deferred inflow of resources until such time the revenue becomes available.

In the proprietary funds (and for the governmental activities in the government-wide statements), deferred revenue is reported regardless of its availability.

11. Compensated Absences

City employees are entitled to accumulate earned but unused vacation and sick pay benefits. The City vacation policy is such that a maximum amount (generally 80 hours, or in the case of firefighters, not to exceed 108 hours) of time accrued may be carried forward if unused during the current year. There is no limit on sick leave carried forward, but employees are not entitled to be paid for accumulated sick pay benefits upon termination.

For proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability. Expenditures are recognized in the governmental funds when payments are made to employees.

12. Net Pension Liability

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement 68* (GASB 71), as of October 1, 2014. The net pension liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the respective pension plan's fiduciary net position.

13. Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The accompanying financial statements reflect all other such transactions as transfers.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable Fund Balance* includes amounts that are not in spendable form (such as inventory or prepaid assets) or are required to be maintained intact.
- *Restricted Fund Balance* includes those funds limited to restrictions by creditors, grantors, laws, and regulations of other governments.
- *Committed Fund Balance* includes those funds where the City, at its highest level of decision-making authority (City Council), takes formal action to place constraints on the use of its own resources. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution, which are equally binding. This is typically done through adoption and amendment of the budget.
- *Assigned Fund Balance* includes those funds reserved for intended use by those purchase orders or designation of encumbrances that are not already included in restricted or committed fund balances. The City Council has in place a long-standing policy of delegating the authority for assigned fund balances to the Finance Department.
- *Unassigned Fund Balance* is the remaining amount available for appropriation within the General Fund that has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if the nonspendable amount exceeds amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a formal minimum fund balance policy. The General Fund unassigned fund balance should maintain a minimum balance of three months of operating revenues. The City also has an informal policy to maintain a minimum unassigned fund balance in the General Fund of eight million dollars, if the three months of operating revenues fall below this threshold. Minimum balance may only be appropriated for capital projects and equipment, or to cover extraordinary circumstances such as economic downturns, natural disasters, or other states of emergencies.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is displayed as three components:

- *Net investment in capital assets* represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Also included in the calculation are related bond premiums and discounts and the deferred expense on refunding of bonds.
- *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.

F. Revenues, Expenditures, and Expenses

Substantially all governmental fund revenues (including sales taxes, payments in lieu of taxes, and licenses) are accrued. In addition, revenues from federal and state reimbursement grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. All other revenue items are considered measurable and available only when cash is received by the City.

Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal ongoing operation (e.g., solid waste collection and rentals). The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses for these operations include all costs related to providing the service. These costs include salaries, contractual services, depreciation, and administrative expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred.

1. Property Tax Revenue and Property Tax Calendar

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1 of the following year.

Government-wide financial statements: Property tax revenues are recognized when they are assessed (legal claim is enforced at this time). The City recognizes total estimated tax collections for the October 1 tax assessment that is collected starting in October of the following fiscal year.

Fund financial statements: Property tax revenues are recognized when they become available. Available consists of those property tax receivables to be collected within sixty days after year-end.

Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budget Policy, Practice, Control, and Basis

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance for the General, special revenue (the majority of these funds), debt service, and proprietary funds, and the same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principle basis. Budgets for certain capital project funds are made on a project basis, spanning more than one fiscal year. In 2024, the following special revenue funds did not have an adopted budget: Flower Fund, Federal Drug Recoveries Fund, and State Drug Recoveries Fund.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel, operating, capital, transfers, and debt service. This constitutes the legal level of control. Budgeted amounts may be transferred among the line items within the department; however, expenditures may not exceed original appropriations at the department level. Budget revisions to increase total departmental appropriations require final approval by the City Council.

The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Encumbrance accounting is used for the General Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as an assignment of fund balance on the Statement of Net Position. Encumbrances do not lapse at the close of the fiscal year, but instead are carried forward as assigned fund balance until liquidated.

H. Pensions

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

I. Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Recently Issued Accounting Pronouncements

GASB Statement 99, *Omnibus 2022*, was issued to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of GASB 99 were due immediately in FY 2022 with the remaining requirements effective for fiscal years 2024 and 2025. The requirements of GASB 99 due immediately and in fiscal year 2024 were implemented with no significant impact on the City's financial statements.

GASB Statement 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement 62, was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of GASB 100 are effective for fiscal year 2024. The City implemented GASB 100 in fiscal year 2024 with no significant impact on the City's financial statements.

GASB Statement 101, *Compensated Absences*, was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of GASB 101 are effective for fiscal year 2025. The City is currently evaluating the impact GASB 101 may have on its financial statements.

GASB Statement 102, *Certain Risk Disclosures*, was issued to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The requirements of GASB 102 are effective for fiscal year 2026. The City is currently evaluating the impact GASB 102 may have on its financial statements.

GASB Statement 103, *Financial Reporting Model Improvements*, was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of GASB 103 are effective for fiscal year 2026. The City is currently evaluating the impact GASB 103 may have on its financial statements.

GASB Statement 104, *Disclosure of Certain Capital Assets*, was issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of GASB 104 are effective for fiscal year 2026. The City is currently evaluating the impact GASB 104 may have on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 2 – CASH, EQUITY IN POOLED CASH AND CASH EQUIVALENTS

Cash balances available for investment by most City funds are maintained in pooled cash and investment accounts to improve investment opportunities. The equity in pooled cash balances in the accompanying combined balance sheet represents the undivided interest of each respective fund in pooled accounts.

Balances are collateralized with securities held by the Alabama State Treasury for the Security for Alabama Funds Enhancement (SAFE) Program. Each of the banks holding the City’s deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected in a collateral pool administered by the Alabama State Treasury. Included in cash is \$134,361 that is held in an investment account. The Securities Investor Protection Corporation (SIPC) insures balances up to \$500,000.

Cash and cash equivalents are reflected in the financial statements as follows:

	Equity in Pooled Funds	Non Pooled Funds	Total Cash and Cash Equivalents
Primary Government:			
Governmental activities:			
General Fund	\$ 15,995,528	\$ 135,571	\$ 16,131,099
Capital Reserve Fund	-	5,788,457	5,788,457
2023 Construction Fund	-	6,466,684	6,466,684
Other non major governmental funds	3,319,397	2,089,979	5,409,376
Total governmental activities	19,314,925	14,480,691	33,795,616
Business-type activities:			
Solid Waste Fund	274,798	-	274,798
Civic Center Fund	124,551	-	124,551
Total business-type activities	399,349	-	399,349
Total primary government	\$ 19,714,274	\$ 14,480,691	\$ 34,194,965

NOTE 3 – DEPOSITS AND INVESTMENTS

The City’s investment policies are governed by state statutes and local resolution. Allowable investment instruments include 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.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

In addition to state laws governing allowable investment instruments, the City has adopted a formal investment policy. The City is to invest idle funds based on the following objectives in order of priority: safety, liquidity, and yield. The City's investment portfolio shall be diversified by limiting investments to avoid a concentration in securities from a specific issuer or business sector, limiting investments to avoid a concentration in a single security type excluding U.S. Treasury securities, and investing in securities with varying maturities. The investment portfolio should be managed to obtain a market average rate of return during a market/economic environment of stable interest rates.

Deposits and investments at September 30, 2024 consist of the following:

Federal Home Loan Bonds and Pools	\$	1,115,605
United States Treasury Bonds and Notes		4,499,730
Mortgage Pools		176,855
Proprietary insured by US Government		1,558,194
Bond Mutual Funds		3,507,565
Investment in AMIC		31,063
	\$	<u>10,889,012</u>

The investment policy is reviewed annually for any adjustments due to changes or developments within the investment spectrum that would provide opportunities to the City.

NOTE 4 - RECEIVABLES

Receivables at September 30, 2024 consist of the following:

Governmental activities:

Ad valorem, sales and use tax receivable	\$	12,579,026
Grants receivable		165,299
Other receivables		83,001
Lease receivables		353,452
Total governmental activities receivables	\$	<u>13,180,778</u>

Business-type activities:

Due from other governments	\$	163,378
Other receivables		1,988
Lease receivables		169,130
Total business-type activities receivables	\$	<u>334,496</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 5 –DUE FROM INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF DAPHNE

The City entered into an agreement with the Industrial Development Board of the City of Daphne (IDB) in fiscal year 2018 in which the City agreed to loan the IDB \$1,200,000. The loan is interest free and the IDB is not obligated to make any repayments to the City for a three-year period from the date of the initial disbursement (June 19, 2018). Upon expiration of the three-year forbearance period, the IDB shall make monthly payments to the City equaling fifty percent (50%) of the net revenue received during the previous month by the IDB from the sale of any property located on the Daphne Innovation and Science Complex (DISC) project. Additionally, following the expiration of the three-year forbearance period, fifty percent (50%) of all increased ad valorem revenues generated by the DISC properties and received by the City shall be credited against the loan balance, with such amounts to be calculated by the City Finance Director. The outstanding balance of the receivable at September 30, 2024 is \$845,000.

NOTE 6 –INVENTORIES

Inventory valuation at September 30, 2024 consisted of the following:

Mechanical Shop parts and supplies	\$ 488,326
Merchandise	1,861
Vehicle fuel	20,442
	\$ 510,629

NOTE 7 –CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for governmental activities for the year ended September 30, 2024:

	Balance 10/1/2023	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2024
Capital assets not depreciated:					
Land	\$ 17,767,464	\$ 6,150,000	\$ -	\$ (851,307)	\$ 23,066,157
Construction in progress	7,028,286	13,605,889	(5,170,789)	-	15,463,386
Subtotal	24,795,750	19,755,889	(5,170,789)	(851,307)	38,529,543
Capital assets depreciated:					
Buildings	38,883,490	432,825	-	-	39,316,315
Other improvements	33,322,882	185,401	4,362,108	(32,059)	37,838,332
Machinery and equipment	19,740,544	1,742,258	-	(741,661)	20,741,141
Infrastructure	205,810,592	12,325,708	808,681	-	218,944,981
Intangible right-of-use assets:					
Leased machinery and equipment	487,497	-	-	-	487,497
Subtotal	298,245,005	14,686,192	5,170,789	(773,720)	317,328,266

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 7 –CAPITAL ASSETS (Continued)

	Balance 10/1/2023	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2024
Accumulated depreciation and amortization:					
Buildings	(13,086,130)	(994,309)	-	-	(14,080,439)
Other improvements	(9,739,376)	(1,898,029)	-	32,060	(11,605,345)
Machinery and equipment	(13,888,606)	(1,625,876)	-	741,660	(14,772,822)
Infrastructure	(118,430,074)	(5,595,422)	-	-	(124,025,496)
Intangible right-of-use assets:					
Leased machinery and equipment	(60,938)	(108,402)	-	-	(169,340)
Subtotal	(155,205,124)	(10,222,038)	-	773,720	(164,653,442)
Depreciable capital assets, net	143,039,881	4,464,154	5,170,789	-	152,674,824
Governmental activities capital assets, net	\$ 167,835,631	\$ 24,220,043	\$ -	\$ (851,307)	\$191,204,367

Depreciation was charged to governmental functions as follows:

General government	\$ 298,189
Public safety	1,004,949
Public works	615,272
Culture and recreation	2,599,805
Infrastructure	5,595,421
	<u>\$ 10,113,636</u>

Business-type Activities

	Balance 10/1/2023	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2024
Capital assets not depreciated:					
Construction in progress	\$ 3,530	\$ -	\$ (3,530)	\$ -	\$ -
Subtotal	3,530	-	(3,530)	-	-
Capital assets depreciated:					
Buildings	243,805	169,088	-	-	412,893
Machinery and equipment	3,640,313	373,414	3,530	(287,039)	3,730,218
Subtotal	3,884,118	542,502	3,530	(287,039)	4,143,111

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 7 –CAPITAL ASSETS (Continued)

	Balance 10/1/2023	Additions	Reclass/ Transfers	Retirements	Balance 9/30/2024
Accumulated depreciation:					
Buildings	(178,480)	(12,795)	-	-	(191,275)
Machinery and equipment	(2,173,721)	(569,683)	-	287,039	(2,456,365)
Subtotal	(2,352,201)	(582,478)	-	287,039	(2,647,640)
Depreciable capital assets, net	1,531,917	(39,976)	3,530	-	1,495,471
Business-type activities capital assets, net	\$ 1,535,447	\$ (39,976)	\$ -	\$ -	\$ 1,495,471

Depreciation was charged in the amount of \$560,605 to the Solid Waste Fund and \$21,873 to the Civic Center Fund.

NOTE 8 – LONG TERM DEBT

The following is a description of general obligation bonds/warrants at September 30, 2024:

<p>\$8,600,000 General Obligation Refunding and Improvement Warrants, series 2016, dated July 28, 2016, with interest rates ranging from .65% to 2.17% payable semi-annually along with variable annual principal payments. Final maturity is April 1, 2029. (Refunded 2006 GO Refunding and Capital Improvements Warrants; new money of \$845,200 for recreation parks project)</p>	\$ 1,890,000
<p>\$9,515,000 General Obligation Refunding and Improvement Warrants, series 2019, dated May 29, 2019, with interest rates ranging from 3.0% to 4.0% payable semi-annually along with variable annual principal payments. Final maturity is February 1, 2036. (Partially refunded 2012 GO Refunding and Capital Improvements Warrants; new money of \$916,000 for new fire station construction)</p>	7,795,000
<p>\$7,295,000 General Obligation Refunding Warrants, series 2020-A, dated October 28, 2020, with interest rates ranging from 1.05% to 1.84% payable semi-annually along with variable annual principal payments. Final maturity is July 1, 2038. (Partially paid 2017 General Obligation Warrant)</p>	7,295,000

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 8 – LONG TERM DEBT (Continued)

\$3,600,000 General Obligation Refunding Warrants, series 2020-B (Federally Taxable), dated October 28, 2020, with interest rates ranging from 0.54% to 1.46% payable semi-annually along with variable annual principal payments. Final maturity is July 1, 2027. (Partially paid 2017 General Obligation Warrant) 1,690,000

\$6,320,000 General Obligation Warrant, series 2021, dated August 5, 2021, with an interest rate of 1.39% payable semi-annually along with variable annual principal payments. Final maturity is April 1, 2028. (Fully paid off the 2014 General Obligation Refunding and Improvement Warrants) 3,648,902

\$8,895,000 General Obligation Warrants, series 2023-A, dated November 2, 2023, with interest rates ranging from 4.75% to 5.0% payable semi-annually along with variable annual principal payments. Final maturity is July 1, 2043. (New money for Animal Shelter construction and Justice Center expansion) 8,490,000

Total bonds and warrants payable \$ 30,808,902

The annual requirements to amortize warrants, including interest, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2025	\$ 2,657,770	\$ 1,051,551	\$ 3,709,321
2026	2,719,045	981,720	3,700,765
2027	2,780,363	908,132	3,688,495
2028	2,846,724	831,437	3,678,161
2029	2,010,000	742,975	2,752,975
2030-2034	8,565,000	2,723,425	11,288,425
2035-2039	6,750,000	1,232,900	7,982,900
2040-2044	2,480,000	301,625	2,781,625
	<u>\$ 30,808,902</u>	<u>\$ 8,773,765</u>	<u>\$ 39,582,667</u>

Repayment of principal and interest maturities is principally made from sales taxes. In addition, for governmental activities, compensated absences and pension obligations are generally liquidated by the General Fund.

The City is currently providing a commercial guaranty on a loan for The Daphne Downtown Redevelopment Authority to construct a building in Olde Towne Daphne on property leased from the City. The loan is dated September 5, 2024 in the amount of \$1,530,355. Both the loan and the guaranty mature on March 5, 2031.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 8 – LONG TERM DEBT (Continued)

The following is a description of notes payable at September 30, 2024:

Lender	Interest Rate	Interest Dates	Principal Issued	Principal Outstanding 9/30/2024	Years of Final Maturity
<u>Governmental Activities:</u>					
The First Community Bank	1.18%	Semi Annual	\$ 539,881	\$ 273,163	2027
	1.99%	Semi Annual	310,820	157,880	2027
			<u>\$ 850,701</u>	<u>\$ 431,043</u>	
<u>Business-type Activities:</u>					
Regions Bank	2.41%	Semi Annual	\$ 914,083	\$ 96,413	2025
Regions Bank	1.70%	Semi Annual	655,000	243,349	2026
Community Bank	3.12%	Semi Annual	190,389	116,241	2027
			<u>\$1,759,472</u>	<u>\$ 456,003</u>	

Proceeds of the notes were used to finance equipment sold under capital leases. The notes are secured by assignment of the related leased equipment.

The following schedule shows debt service to maturity for long-term notes payable at September 30, 2024:

Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 152,217	\$ 5,838	\$ 158,055	\$ 254,612	\$ 8,125	\$ 262,737
2026	154,541	2,514	157,055	161,439	3,723	165,162
2027	124,285	1,229	125,514	39,952	938	40,890
	<u>\$ 431,043</u>	<u>\$ 9,581</u>	<u>\$ 440,624</u>	<u>\$ 456,003</u>	<u>\$ 12,786</u>	<u>\$ 468,789</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 8 – LONG TERM DEBT (Continued)

The following is a summary of the changes in non-current liabilities reported in Statement of Net Position for the year ended September 30, 2024:

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Governmental Activities:					
Bonds and warrants payable	\$ 24,650,442	\$ 8,895,000	\$ (2,736,540)	\$ 30,808,902	\$ 2,657,770
Plus: Bond premiums	1,701,602	243,751	(161,356)	1,783,997	-
Bonds and warrants payable, net	26,352,044	9,138,751	(2,897,896)	32,592,899	2,657,770
Notes payable	711,717	-	(280,674)	431,043	152,217
Compensated absences	428,205	789,856	(747,201)	470,860	282,516
Lease liabilities	399,253	-	(95,773)	303,480	96,280
Net pension liability	11,376,012	-	(145,625)	11,230,387	-
Other post-employment benefits	5,567,066	-	(224,307)	5,342,759	-
Total governmental activities	<u>\$ 44,834,297</u>	<u>\$ 9,928,607</u>	<u>\$ (4,391,476)</u>	<u>\$ 50,371,428</u>	<u>\$ 3,188,783</u>
Business-type Activities:					
Notes payable	\$ 800,417	\$ -	\$ (344,414)	\$ 456,003	\$ 254,612
Compensated absences	22,389	42,588	(42,425)	22,552	13,531
Net pension liability	810,842	-	(8,231)	802,611	-
Other post-employment benefits	393,100	-	(11,938)	381,162	-
Total business-type activities	<u>\$ 2,026,748</u>	<u>\$ 42,588</u>	<u>\$ (407,008)</u>	<u>\$ 1,662,328</u>	<u>\$ 268,143</u>

Under State law, the City's legal debt may not exceed 20% of the total assessed value of real and personal property within the City. At September 30, 2024 the permissible debt limit exceeded debt by \$122,747,872, which is available for future borrowings. Based on the City's 2020 census, the per capita debt is \$1,053.

NOTE 9 – LEASES

In fiscal year 2022, the City adopted GASB Statement 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about the City's leasing activities. The statement established a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 9 – LEASES (Continued)

Lease payables

The City is currently entered into six (6) noncancelable leases with various third parties for equipment and machinery. The lease terms vary with each contract and include the noncancelable period of the lease and any extensions the City is reasonably certain to exercise. The leases have interest rates ranging from 4.0% to 9.8%.

The City amortized the right-to-use lease assets as follows during the fiscal year:

	Balance 10/1/2023	Additions	Deletions	Balance 9/30/2024
Governmental Activities:				
Lease assets				
Machinery and equipment	\$ 487,497	\$ -	\$ -	\$ 487,497
Total lease assets	487,497	-	-	487,497
Less accumulated amortization				
Machinery and equipment	(60,938)	(108,402)	-	(169,340)
Total accumulated amortization	(60,938)	(108,402)	-	(169,340)
Total lease assets being amortized, net	\$ 426,559	\$ (108,402)	\$ -	\$ 318,157

At September 30, 2024, the lease liability principal and interest requirements to maturity are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2025	\$ 96,280	\$ 24,824	\$ 121,104
2026	104,454	16,650	121,104
2027	88,395	7,814	96,209
2028	14,351	648	14,999
	\$ 303,480	\$ 49,936	\$ 353,416

Lease receivables

The City is a lessor for leases of certain buildings and properties and as such recognizes a lease receivable and a deferred inflow of resources in the financial statements for each lease.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 9 – LEASES (Continued)

For the year ended September 30, 2024, payments are as follows:

	<u>Fixed Payments</u>
Governmental Activities:	
Rentals, buildings	\$ 116,720
Rental, cellular tower	72,238
Total	\$ 188,958
Business-type Activities:	
Rental, buildings	\$ 212,000

Principal and interest requirements to maturity for the lease liability at September 30, 2024, are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 193,843	\$ 11,021	\$ 204,864	\$ 169,130	\$ 2,870	\$ 172,000
2026	118,256	3,685	121,941	-	-	-
2027	41,353	618	41,971	-	-	-
	\$ 353,452	\$ 15,324	\$ 368,776	\$ 169,130	\$ 2,870	\$ 172,000

NOTE 10 – INTERFUND TRANSFERS

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as transfers in (out) in the proprietary funds.

Following is a summary of interfund transfers for the year ended September 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 11,694,856
Capital Reserve Fund	6,928,643	-
2023 Construction Fund	9,007,241	-
Debt Service Fund	4,017,449	9,007,241
Non major special revenue funds	80,000	700,000
Solid Waste Enterprise Fund	808,998	-
Civic Center Enterprise Fund	559,766	-
Totals	\$ 21,402,097	\$ 21,402,097

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 10 – INTERFUND TRANSFERS (Continued)

A summary of General Fund transfers out are as follows:

- 1) Capital Reserve Fund – Transfers from the General Fund were made in the amount of \$6,928,643 to fund various capital projects during the year, including \$4,818,643 for two grant funded road projects and \$1,025,000 for road resurfacing projects.
- 2) Debt Service Fund – Monthly transfers were made totaling \$3,317,449 to fund the current year debt service requirements.
- 3) Enterprise funds – Monthly transfers were made from the General Fund totaling \$808,998 and \$559,766, respectively, to cover the net operating loss for the Solid Waste Fund and the Civic Center Fund.
- 4) Animal Shelter Fund – Transfers in the amount of \$80,000 were made from the General Fund to assist in the funding of the construction of a new Animal Shelter.

A one-time transfer in the amount of \$9,007,241 was made from the Debt Service Fund to transfer the 2023 warrant proceeds to the 2023 Construction Fund.

The non-major special revenue fund transfers out consisted of monthly transfers totaling \$700,000 from the Lodging Tax Fund to the Debt Service Fund to cover its portion of the debt service requirements.

NOTE 11 – FUND BALANCES

A schedule of City fund balances at September 30, 2024 is provided below:

	General Fund	Capital Reserve Fund	2023 Construction Fund	Non Major Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ 510,629	\$ -	\$ -	\$ -	\$ 510,629
Prepaid items	592,362	-	-	-	592,362
Subtotal	<u>1,102,991</u>	-	-	-	<u>1,102,991</u>
Restricted for:					
Debt service	-	-	-	540,576	540,576
Streets and drainage	-	-	-	967,224	967,224
Law enforcement	-	-	-	377,713	377,713
Court and corrections	-	-	-	387,694	387,694
Other projects	-	-	6,243,499	84,404	6,327,903
Subtotal	<u>-</u>	<u>-</u>	<u>6,243,499</u>	<u>2,357,611</u>	<u>8,601,110</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 11 – FUND BALANCES (Continued)

	General Fund	Capital Reserve Fund	2023 Construction Fund	Non Major Governmental Funds	Total
Committed to:					
Bayfront improvements	-	-	-	1,645,411	1,645,411
Recreation projects	-	-	-	769,049	769,049
Olde Towne improvements	-	-	-	45,460	45,460
Animal shelter	-	-	-	325,739	325,739
Landscaping	-	-	-	10,287	10,287
Subtotal	-	-	-	2,795,946	2,795,946
Assigned to:					
Library	-	-	-	59,684	59,684
Capital projects	-	5,679,318	-	-	5,679,318
Various purposes	337,489	-	-	-	337,489
Subtotal	337,489	5,679,318	-	59,684	6,076,491
Unassigned:	29,542,597	-	-	-	29,542,597
Total fund balances	<u>\$ 30,983,077</u>	<u>\$ 5,679,318</u>	<u>\$ 6,243,499</u>	<u>\$ 5,213,241</u>	<u>\$48,119,135</u>

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

- a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
- b. Two vested active state employees.
- c. One vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
- d. One vested employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
- e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
- f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

Benefits Provided

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

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of creditable 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 equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 618 employers, including the City of Daphne, adopted Act 2019-132 as of September 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

The ERS serves approximately 884 local participating employers and approximately 113,079 participants. As of September 30, 2023 (the measurement date), the City of Daphne membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	94
Vested inactive members	15
Non-vested inactive members	81
Active members	322
Total	512

Contributions

Tier 1 covered members of the ERS contributed 5% of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 6% of earnable compensation. Tier 2 covered members contribute 7.5% of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 8.5% of earnable compensation (after enactment of Act 201-132).

The ERS establishes employer rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2024, the City’s covered payroll was \$18,027,737. The City’s active employee contribution rate was Tier 1 Regular 5%, Tier 1 FLC 6%, Tier 2 Regular 7.5%, and Tier 2 FLC 8.5% of covered payroll, and the City’s average contribution rate to fund the normal and accrued liability costs was 5.97% of covered payroll.

The City’s contractually required contribution rate for the year ended September 30, 2024 was 7.43% of pensionable pay for Tier 1 employees, and 5.60% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2021, 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 (including fees) from the City were \$1,155,775 for the year ended September 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, rolled forward to September 30, 2023, using standard roll-forward techniques shown in the following table:

	Expected	Actual Before Plan Changes	Actual After Plan Changes
(a) TPL as of September 30, 2022	\$ 48,783,252	\$ 50,304,635	\$ 50,304,635
(b) Discount rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2022 -September 30, 2023	1,659,041	1,659,041	1,659,041
(d) Transfers among Employers	-	(467,385)	(467,385)
(e) Actual Benefit Payments and Refunds for the period October 1, 2022 -September 30, 2023	(2,264,890)	(2,264,890)	(2,264,890)
(f) TPL as of September 30, 2023 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5(b))]	\$ 51,727,388	\$ 52,894,729	\$ 52,894,729
(g) Difference between Expected and Actual		\$ 1,167,341	
(h) Less Liability Transferred for Immediate Recognition		(467,385)	
(i) Difference between Expected and Actual - Experience (Gain)/Loss		\$ 1,634,726	
(j) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			\$ -

Actuarial assumptions

The total pension liability at September 30, 2023 was determined based on the annual funding valuation report prepared as of September 30, 2022. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected Salary increases	3.25% - 6.00% for State and Local Employees
Investment rate of return	7.45%, including inflation

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Non-FLC Service Retirees	General Health Below Median	Male:+2, Female:+2	Male: 90% ages <65, 96% ages >=65 Female: 96% all ages
FLC/ State Police Service Retirees	Public Safety Healthy Below Median	Male:+1, Female:none	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 September 30, 2021 valuations 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class, as provided by RSA, are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	15.0%	2.8%
US Large Stocks	32.0%	8.0%
US Mid Stocks	9.0%	10.0%
US Small Stocks	4.0%	11.0%
Int'l Developed Mkt Stocks	12.0%	9.5%
Int'l Emerging Mkt Stocks	3.0%	11.0%
Alternatives	10.0%	9.0%
Real Estate	10.0%	6.5%
Cash Equivalents	5.0%	1.5%
Total	100.0%	

* Includes assumed rate of inflation of 2.00%.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the rates currently in effect and that employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	\$ 48,783,252	\$ 36,596,398	\$ 12,186,854
Changes for the year:			
Service Cost	1,659,041	-	1,659,041
Interest	3,549,985	-	3,549,985
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	1,634,726	-	1,634,726
Contributions - employer	-	1,053,190	(1,053,190)
Contributions - employee	-	1,222,926	(1,222,926)
Net investment income	-	4,721,492	(4,721,492)
Benefit payments, including refunds or employee contributions	(2,264,890)	(2,264,890)	-
Administrative expense	-	-	-
Transfers among employers	(467,385)	(467,385)	-
Net changes	4,111,477	4,265,333	(153,856)
Balances at September 30, 2023	\$ 52,894,729	\$ 40,861,731	\$ 12,032,998

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Plan's Net Pension Liability	\$ 19,157,262	\$ 12,032,998	\$ 6,122,918

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2023. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2024 the City recognized pension expense of \$1,155,775. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,378,236	\$ 109,980
Change of assumptions	1,174,715	-
Net difference between projected and actual earnings on plan investments	1,617,203	-
Employer contributions subsequent to the measurement date*	1,076,027	-
	\$ 6,246,181	\$ 109,980

*Employer contributions subsequent to the measurement date (\$1,076,027) reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 12 – PENSION PLAN – DEFINED BENEFIT PENSION PLAN (Continued)

Other 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	
2025	\$ 1,161,491
2026	1,103,509
2027	2,061,011
2028	252,480
2029	310,888
Thereafter	170,795
	\$ 5,060,174

NOTE 13– OTHER POST-EMPLOYMENT BENEFITS

General Information about the Other Post-Employment Benefits (OPEB) Plan

Plan Description and Administration

The City of Daphne administers the City of Daphne Retiree Benefits Plan (the Plan) - a single-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB) for all permanent full-time employees of the City. The Plan was established in January 2021.

Management of the Plan

The City appointed Regions Bank to serve as the Trustee for the Plan in which Regions Bank shall hold, manage, invest and reinvest the Trust, collect the income thereof, and make payments therefrom.

Plan Membership

At September 30, 2024, the Plan’s membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments (retirees)	30
Inactive employees entitled to but not yet receiving benefits	-
Active employees (employees)	279
Total	309

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided

The City’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. This valuation combines medical and dental benefits for cost and liability purposes. In order to receive OPEB benefits, employees must retire under the provisions of the RSA pension plan discussed in Note 16. Additionally, the retirees are eligible to participate in the plan if they are less than 65 years of age with a minimum of twenty-five (25) years of creditable service with the City. The dependent(s) of retirees are only eligible for coverage under the health care plan, provided they are covered under the City’s health care plan at least six months prior to the effective date of retirement.

The City pays retiree health care premiums at the same rate as it does for active employees, i.e., any portion of the monthly premium that is passed on to other employees as a payroll deduction is also paid to the City by the retirees. The City’s cost for retiree dependent coverage will not exceed the premium rate charged to the City for individual coverage. Retirees must pay this difference between the individual and family coverage.

The plan was amended in fiscal year 2018 for employees hired after January 31, 2018. For these employees, retiree coverage will cease three years from the date of retirement, or when the employee reaches age 65, whichever occurs first. Additionally, dependent coverage is conditioned on retiree’s participation in the plan. All other benefits and conditions remained unchanged.

The employer pays for 100% of the retiree life insurance coverage of \$5,000 until age 65 but it is based on the blended active and retired rate.

Contributions

The City has the authority to establish and amend the contribution requirements for the City and its plan members. Plan members are not required to contribute to their other post-employment benefit costs.

Investments

Investment Policy

The City’s management meets with the Trust’s investment advisor on a periodic basis to review the asset allocation and make any changes deemed necessary. The following was the asset allocation policy as of September 30, 2024:

Asset Class	Target Allocation
Fixed Income	72%
Equity	25%
Money Market/CD	3%

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Concentrations

The Trust has over 5% investment in the following funds: Fidelity Investment Grade Bond Fund, 24.37%; Baird Aggregate Bond Fund, 24.44%; JP Morgan Core Plus Bond Fund, 10.47%; and Vanguard 500 Index Fund, 6.35%. Actual asset allocation is as follows:

<u>Asset Class</u>	<u>Actual Asset Allocation</u>
Fixed Income	70%
Equity	26%
Money Market/CD	4%

Rate of Return

For the year ended September 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 15.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the City as of September 30, 2024 were as follows:

Total OPEB liability	\$ 7,364,214
Plan fiduciary net position	<u>1,640,293</u>
City's net OPEB liability	<u>\$ 5,723,921</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.27%

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

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%														
Salary increases	Salary increases are from the ERS valuation, as follows and the rates include the inflation assumption above														
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>0</td><td>6.00%</td></tr><tr><td>1-5</td><td>4.25%</td></tr><tr><td>6-10</td><td>4.00%</td></tr><tr><td>11-15</td><td>3.75%</td></tr><tr><td>16-19</td><td>3.50%</td></tr><tr><td>20+</td><td>3.25%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	0	6.00%	1-5	4.25%	6-10	4.00%	11-15	3.75%	16-19	3.50%	20+	3.25%
<u>Service</u>	<u>Rate</u>														
0	6.00%														
1-5	4.25%														
6-10	4.00%														
11-15	3.75%														
16-19	3.50%														
20+	3.25%														
Discount rate	5.5% annually (Beginning of year to determine Actuarially Determined Contribution) 5.5% annually (As of end of year Measurement Date)														
Healthcare cost trend rates	Getzen model, initial trend of 5.5%														
Mortality	Pub-2010														

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2008 to September 30, 2024.

Discount rate. Since this plan is a defined benefit OPEB plan that meets the requirements of paragraph 4 of GASB Statement 75, the investment return assumption is determined in accordance with paragraph 36 of GASB Statement 75. Since the OPEB plan's fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB Statement 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), the expected long-term rate of return on plan investments equal to 5.5% annually was used.

NOTES TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at September 30, 2023	\$ 7,139,237	\$ 1,179,071	\$ 5,960,166
Changes for the year:			
Service cost	177,867	-	177,867
Interest cost at 5.5%	393,055	-	393,055
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Employer contributions - Trust	-	250,000	(250,000)
Net investment income	-	218,513	(218,513)
Changes of assumptions	-	-	-
Benefit payments			
a. From Trust	-	-	-
b. Direct	(345,945)	-	(345,945)
Administrative expense	-	-	-
a. From Trust	-	(7,291)	7,291
b. Direct	-	-	-
Net changes	<u>224,977</u>	<u>461,222</u>	<u>(236,245)</u>
Balances at September 30, 2024	<u>\$ 7,364,214</u>	<u>\$ 1,640,293</u>	<u>\$ 5,723,921</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current discount rate:

	1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB Liability	\$ 6,389,631	\$ 5,723,921	\$ 5,122,738

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current healthcare trend rates:

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

	1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
Net OPEB Liability	\$ 4,953,706	\$ 5,723,921	\$ 6,623,680

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is included on the Statement of Fiduciary Net Position on page 51 in this report. The plan does not issue a stand-alone financial report.

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

For the year ended September 30, 2024, the City recognized OPEB expense in the amount of \$522,814. At September 30, 2024, the City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,820,277	\$ (425,380)
Net difference between projected and actual earnings on OPEB plan investments	-	(27,294)
Changes in assumptions	480,883	(954,190)
	\$ 2,301,160	\$ (1,406,864)

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

Year Ended September	
2025	\$ 20,143
2026	208,639
2027	162,774
2028	218,429
2029	196,987
Thereafter	87,324
	\$ 894,296

Payable to the OPEB Plan

At September 30, 2024, the City did not have any outstanding amount of contributions to the OPEB plan as required for the year ended September 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 14 – DEFERRED COMPENSATION PLANS

The City offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. Three of the plans are administered by a nongovernmental third party, and the other by the Retirement Systems of Alabama. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property and rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the City's general creditors.

NOTE 15 – CONSTRUCTION COMMITMENTS

The City had various capital improvement projects in progress at September 30, 2024. The projected outstanding commitments related to these projects is estimated by management to be \$10,781,765. The capital improvements in progress include the Justice Center expansion, construction of a new Animal Shelter, road projects on Hwy 98 and Hwy 64 engineering design contracts for Olde Towne Daphne Improvements, and an Amphitheatre on Bayfront Drive.

NOTE 16– NON-MONETARY TRANSACTIONS

During the current fiscal year, non-monetary transactions totaled \$10,835,416. This is composed of land, street and drainage acceptances in Jubilee Farms subdivision, Phase 12; Hope Vineyard, Phases 1A, 1B, and 3; and The Reserve at Daphne, Phase 4.

NOTE 17 – ENCUMBRANCE COMMITMENTS

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

At September 30, 2024, the City had encumbrance commitments in the General Fund in the amount of \$337,489. No other governmental funds had outstanding encumbrance commitments at year-end.

NOTE 18 – CONCENTRATION – REVENUE SOURCE

The City receives approximately 7.94% of its annual sales, use, and luxury taxes from one business within the City of Daphne; the top ten businesses account for 35.01% of the total of such collections.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 19 - LITIGATION

Legal counsel is currently representing the City of Daphne in various legal proceedings arising principally in the normal course of operations of a city government. In the opinion of the City governmental officials and its legal counsel, the outcome of these legal proceedings is not likely to have a material adverse effect on the accompanying financial statements and accordingly, no additional provision for these losses has been recorded.

NOTE 20 – CITY OF DAPHNE UTILITIES BOARD – RELATED PARTY

As described in Note 1 of this report, the City Council appoints the board members of the Utilities Board of the City of Daphne and the Utilities Board is considered a related organization as defined by GASB Codification Section 2100.522.

The Utilities Board provides services to the City of Daphne in its handling of the billing and collection of garbage fees. The Utilities Board remits to the City on a monthly cycle all funds collected for the previous month's garbage billings. The result of this billing and remittance cycle creates an ongoing balance due the City from the Utilities Board. The total due from the Utilities Board at September 30, 2024 was \$163,378.

NOTE 21 – PROPERTY TAXES

In accordance with GASB 33, the City records property taxes receivable as of September 30 each year. The City assesses and levies property taxes each October 1 and begins collecting the following year. (i.e., the City assessed property taxes on October 1, 2023 and the County began collecting and remitting the taxes to the City in October 2024.)

Fund Financial Statements:

The City recognizes the taxes collected by the County tax assessor within the first 60 days after September 30, 2024 as revenue. Such revenue totals \$958,629. Deferred revenue in the amount of \$8,861,845 is recognized and is reflective of the anticipated upcoming fiscal year collections for the October 1, 2024 (Fiscal 2024) levy.

Government-Wide Financial Statements:

The City recognizes total estimated property tax collections in the amount of \$9,820,475 for the October 1, 2023 tax assessment that is collected starting in October of 2023 (Fiscal 2024).

NOTE 22 – FEDERAL AND STATE GRANTS

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement (there is none expected), which may arise as the result of these audits, is not believed to be material.

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 23 – RISK MANAGEMENT

The City is self-Insured for dental insurance only. The City’s insurance carrier, Blue Cross/Blue Shield (BCBS), manages the claims and the City remits weekly payments to BCBS to cover the claims and administrative fees. All other risk management services are assumed by private insurance companies. BCBS insures the City for medical insurance under a retrospectively rated plan and the City remits premiums to them on a monthly basis.

Liability Insurance coverage is detailed below:

Alabama Municipal Insurance Corporation:

General Liability (*No aggregate)

Public Officials Liability

Law Enforcement Liability (*No aggregate)

Workers Compensation

The City is insured on these policies at the limits of \$1,000,000 per occurrence and \$1,000,000 aggregate unless otherwise noted above.

Employers Mutual Companies:

Equipment (Limit \$7,037,408)

Property (Limit \$103,712,065)

NOTE 24 – FAIR VALUE DISCLOSURES

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value:

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Investments’ fair value measurements are as follows at September 30, 2024:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasuries	\$ 4,499,730	\$ 4,499,730	\$ -	\$ -
Federal Home Loan Bonds and Notes	1,115,605	-	1,115,605	-
Mortgage pools	176,855	-	176,855	-
Bond mutual funds	3,507,565	-	3,507,565	-
Proprietary insured by US Government	1,558,194	-	1,558,194	-
Investment in AMIC	31,063	-	-	31,063
	<u>\$ 10,889,012</u>	<u>\$ 4,499,730</u>	<u>\$ 6,358,219</u>	<u>\$ 31,063</u>

NOTES TO THE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

NOTE 24 – FAIR VALUE DISCLOSURES (Continued)

Debt securities categorized as Level 1 are based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. The investment in AMIC is quoted as a level 3 input. There is no active market for this investment but an initial investment was required to participate in AMIC. Fair value of the investment approximates the cost.

NOTE 25 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through March 24, 2025, the date on which the financial statements were available to be issued, and determined that no subsequent events have occurred which require adjustment or disclosure in this report.

Required Supplementary Information

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
Revenues				
Sales, use, and luxury taxes	\$ 26,284,500	\$ 26,284,500	\$ 28,336,330	\$ 2,051,830
Payments in lieu of taxes	2,625,000	2,625,000	2,848,749	223,749
Ad valorem taxes	9,359,500	9,359,500	9,829,295	469,795
Licenses and permits	3,876,275	3,876,275	4,794,409	918,134
Intergovernmental	496,662	496,662	503,157	6,495
Charges for services	1,067,100	1,154,071	1,297,768	143,697
Fines and forfeitures	326,000	326,000	354,028	28,028
Interest and investment earnings	125,000	125,000	1,254,887	1,129,887
Grants and contributions	25,705	6,336,913	6,368,678	31,765
Miscellaneous	85,000	99,673	1,599,573	1,499,900
Total revenues	\$ 44,270,742	\$ 50,683,594	\$ 57,186,874	\$ 6,503,280
Expenditures				
<i>GENERAL GOVERNMENT</i>				
Legislative				
Personnel	\$ 278,962	\$ 283,322	\$ 282,782	\$ (540)
Operating	198,800	199,499	183,198	(16,301)
Capital	6,491	-	-	-
	484,253	482,821	465,980	(16,841)
Executive				
Personnel	648,101	435,489	365,768	(69,721)
Operating	38,800	38,200	37,865	(335)
	686,901	473,689	403,633	(70,056)
Community Events				
Personnel	189,880	235,814	214,008	(21,806)
Operating	522,750	1,180,750	1,140,705	(40,045)
	712,630	1,416,564	1,354,713	(61,851)
Information Tech Support				
Personnel	280,385	337,408	319,735	(17,673)
Operating	59,400	56,913	48,744	(8,169)
Capital	36,000	38,487	38,487	-
	375,785	432,808	406,966	(25,842)
Human Resources				
Personnel	401,098	503,674	398,691	(104,983)
Operating	408,015	430,015	403,716	(26,299)
	809,113	933,689	802,407	(131,282)

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
Finance				
Personnel	636,217	655,277	651,452	(3,825)
Operating	192,350	191,350	167,158	(24,192)
	828,567	846,627	818,610	(28,017)
Revenue				
Personnel	171,634	177,270	173,011	(4,259)
Operating	33,750	33,750	26,397	(7,353)
	205,384	211,020	199,408	(11,612)
Municipal Court				
Personnel	258,044	275,242	262,534	(12,708)
Operating	109,250	109,250	106,928	(2,322)
	367,294	384,492	369,462	(15,030)
Legal/Risk Management				
Operating- Legal	397,861	457,736	308,346	(149,390)
Operating- Risk Management	930,100	887,912	895,012	7,100
Capital	-	6,150,000	6,150,000	-
	1,327,961	7,495,648	7,353,358	(142,290)
Community Development				
Personnel	430,711	446,151	444,100	(2,051)
Operating	203,000	203,000	191,757	(11,243)
	633,711	649,151	635,857	(13,294)
Building Maintenance				
Personnel	432,624	449,409	418,203	(31,206)
Operating	65,450	62,384	59,764	(2,620)
Capital	199,000	174,479	167,691	(6,788)
	697,074	686,272	645,658	(40,614)
City Hall Facilities Support				
Operating	325,600	333,578	320,993	(12,585)
Capital	30,000	-	-	-
	355,600	333,578	320,993	(12,585)
Janitorial				
Personnel	87,735	91,672	88,507	(3,165)
Operating	65,500	66,728	58,991	(7,737)
	153,235	158,400	147,498	(10,902)
TOTAL GENERAL GOVERNMENT				
Personnel	3,815,391	3,890,728	3,618,791	(271,937)
Operating	3,550,626	4,251,065	3,949,574	(301,491)
Capital	271,491	6,362,966	6,356,178	(6,788)
	7,637,508	14,504,759	13,924,543	(580,216)

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
<i>PUBLIC SAFETY</i>				
Police Administration				
Personnel	489,850	506,825	504,481	(2,344)
Operating	354,980	397,555	368,702	(28,853)
Capital	-	10,400	10,400	-
	<u>844,830</u>	<u>914,780</u>	<u>883,583</u>	<u>(31,197)</u>
SWAT (Sp Weapons & Tactical Eqpt)				
Operating	17,250	17,500	7,412	(10,088)
	<u>17,250</u>	<u>17,500</u>	<u>7,412</u>	<u>(10,088)</u>
Traffic Homicide Investigation				
Operating	23,000	22,950	21,552	(1,398)
	<u>23,000</u>	<u>22,950</u>	<u>21,552</u>	<u>(1,398)</u>
Patrol				
Personnel	2,822,692	2,973,186	2,874,390	(98,796)
Operating	555,875	545,209	523,078	(22,131)
Capital	348,600	281,966	280,666	(1,300)
	<u>3,727,167</u>	<u>3,800,361</u>	<u>3,678,134</u>	<u>(122,227)</u>
Detective				
Personnel	2,247,917	2,335,152	2,031,079	(304,073)
Operating	231,125	241,230	217,639	(23,591)
Capital	-	61,194	61,194	-
	<u>2,479,042</u>	<u>2,637,576</u>	<u>2,309,912</u>	<u>(327,664)</u>
Communications				
Personnel	780,194	822,707	776,769	(45,938)
Operating	38,800	38,800	33,911	(4,889)
	<u>818,994</u>	<u>861,507</u>	<u>810,680</u>	<u>(50,827)</u>
Corrections				
Personnel	846,347	951,034	902,858	(48,176)
Operating	115,750	124,408	112,820	(11,588)
Capital	84,536	97,761	97,536	(225)
	<u>1,046,633</u>	<u>1,173,203</u>	<u>1,113,214</u>	<u>(59,989)</u>
Animal Control				
Personnel	62,394	64,570	60,900	(3,670)
Operating	17,600	18,255	15,807	(2,448)
	<u>79,994</u>	<u>82,825</u>	<u>76,707</u>	<u>(6,118)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
Police Subtotal				
Personnel	7,249,394	7,653,474	7,150,477	(502,997)
Operating	1,354,380	1,405,907	1,300,921	(104,986)
Capital	433,136	451,321	449,796	(1,525)
	<u>9,036,910</u>	<u>9,510,702</u>	<u>8,901,194</u>	<u>(609,508)</u>
Central Communications				
Operating	10,000	10,000	9,675	(325)
	<u>10,000</u>	<u>10,000</u>	<u>9,675</u>	<u>(325)</u>
Fire				
Personnel	5,424,470	5,641,538	5,688,865	47,327
Operating	786,620	872,529	832,906	(39,623)
Capital	365,000	77,093	77,092	(1)
	<u>6,576,090</u>	<u>6,591,160</u>	<u>6,598,863</u>	<u>7,703</u>
Rescue				
Operating	25,600	25,670	23,606	(2,064)
	<u>25,600</u>	<u>25,670</u>	<u>23,606</u>	<u>(2,064)</u>
Building Inspections				
Personnel	424,950	436,877	416,286	(20,591)
Operating	71,100	71,100	44,115	(26,985)
	<u>496,050</u>	<u>507,977</u>	<u>460,401</u>	<u>(47,576)</u>
Code Enforcement				
Personnel	135,756	140,277	124,300	(15,977)
Operating	18,250	18,320	15,647	(2,673)
	<u>154,006</u>	<u>158,597</u>	<u>139,947</u>	<u>(18,650)</u>
Emergency Management				
Operating	14,500	14,500	14,488	(12)
	<u>14,500</u>	<u>14,500</u>	<u>14,488</u>	<u>(12)</u>
TOTAL PUBLIC SAFETY				
Personnel	13,234,570	13,872,166	13,379,928	(492,238)
Operating	2,280,450	2,418,026	2,241,358	(176,668)
Capital	798,136	528,414	526,888	(1,526)
	<u>16,313,156</u>	<u>16,818,606</u>	<u>16,148,174</u>	<u>(670,432)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
<i>PUBLIC WORKS</i>				
Administration				
Personnel	441,762	456,813	434,959	(21,854)
Operating	265,010	254,505	246,104	(8,401)
	<u>706,772</u>	<u>711,318</u>	<u>681,063</u>	<u>(30,255)</u>
Public Works Facilities Support				
Operating	76,000	95,842	94,815	(1,027)
Capital	45,000	41,000	41,000	-
	<u>121,000</u>	<u>136,842</u>	<u>135,815</u>	<u>(1,027)</u>
Street				
Personnel	1,107,277	1,135,063	886,939	(248,124)
Operating	956,000	948,823	924,491	(24,332)
Capital	70,000	79,183	79,183	-
	<u>2,133,277</u>	<u>2,163,069</u>	<u>1,890,613</u>	<u>(272,456)</u>
City Engineer				
Personnel	136,779	137,980	112,650	(25,330)
Operating	46,700	74,681	52,249	(22,432)
	<u>183,479</u>	<u>212,661</u>	<u>164,899</u>	<u>(47,762)</u>
Grounds				
Personnel	1,086,950	1,120,845	935,716	(185,129)
Operating	496,200	478,743	437,840	(40,903)
Capital	92,000	138,506	137,618	(888)
	<u>1,675,150</u>	<u>1,738,094</u>	<u>1,511,174</u>	<u>(226,920)</u>
Museum				
Personnel	19,397	19,994	19,331	(663)
Operating	19,150	19,775	13,449	(6,326)
	<u>38,547</u>	<u>39,769</u>	<u>32,780</u>	<u>(6,989)</u>
Grounds- Parks				
Operating	239,000	238,364	225,565	(12,799)
Capital	-	6,966	7,633	667
	<u>239,000</u>	<u>245,330</u>	<u>233,198</u>	<u>(12,132)</u>
Mowing				
Personnel	822,554	887,096	878,552	(8,544)
Operating	342,700	358,039	343,918	(14,121)
Capital	255,000	212,839	212,838	(1)
	<u>1,420,254</u>	<u>1,457,974</u>	<u>1,435,308</u>	<u>(22,666)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
Mechanical Barn				
Personnel	599,232	616,428	573,119	(43,309)
Operating	188,450	204,754	105,028	(99,726)
Capital	-	17,620	17,619	(1)
	<u>787,682</u>	<u>838,802</u>	<u>695,766</u>	<u>(143,036)</u>
MS4 Compliance				
Personnel	204,903	217,189	193,610	(23,579)
Operating	54,500	62,353	48,519	(13,834)
	<u>259,403</u>	<u>279,542</u>	<u>242,129</u>	<u>(37,413)</u>
TOTAL PUBLIC WORKS				
Personnel	4,418,854	4,591,408	4,034,876	(556,532)
Operating	2,683,710	2,735,879	2,491,978	(243,901)
Capital	462,000	496,114	495,891	(223)
	<u>7,564,564</u>	<u>7,823,401</u>	<u>7,022,745</u>	<u>(800,656)</u>
<i>CULTURE & RECREATION</i>				
Recreation Parks				
Personnel	1,480,805	1,695,889	1,625,372	(70,517)
Operating	996,900	1,076,367	970,613	(105,754)
Capital	560,500	535,290	525,044	(10,246)
	<u>3,038,205</u>	<u>3,307,546</u>	<u>3,121,029</u>	<u>(186,517)</u>
Senior Center Building				
Operating	114,650	89,650	70,029	(19,621)
	<u>114,650</u>	<u>89,650</u>	<u>70,029</u>	<u>(19,621)</u>
Athletic and Fitness Programs				
Personnel	51,885	53,587	46,538	(7,049)
Operating	211,300	195,314	175,667	(19,647)
	<u>263,185</u>	<u>248,901</u>	<u>222,205</u>	<u>(26,696)</u>
Senior Center				
Personnel	150,868	159,683	163,108	3,425
Operating	93,200	93,200	79,766	(13,434)
	<u>244,068</u>	<u>252,883</u>	<u>242,874</u>	<u>(10,009)</u>
SAIL Site Program				
Personnel	56,968	63,464	62,842	(622)
Operating	24,902	24,902	22,626	(2,276)
	<u>81,870</u>	<u>88,366</u>	<u>85,468</u>	<u>(2,898)</u>

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL Budgetary Basis	Variance- (Under)Over Final Budget
	Original	Final		
Library				
Personnel	990,916	1,030,993	914,141	(116,852)
Operating	255,350	230,350	221,719	(8,631)
	1,246,266	1,261,343	1,135,860	(125,483)
Animal Shelter				
Personnel	110,968	172,423	134,234	(38,189)
Operating	88,250	89,995	66,641	(23,354)
	199,218	262,418	200,875	(61,543)
TOTAL CULTURE AND RECREATION				
Personnel	2,842,410	3,176,039	2,946,235	(229,804)
Operating	1,784,552	1,799,778	1,607,061	(192,717)
Capital	560,500	535,290	525,044	(10,246)
	5,187,462	5,511,107	5,078,340	(432,767)
Debt Service				
Principal	-	-	95,772	95,772
Interest	-	-	25,332	25,332
	-	-	121,104	121,104
Total Expenditures				
Personnel	24,311,225	25,530,341	23,979,830	(1,550,511)
Operating	10,299,338	11,204,748	10,289,971	(914,777)
Debt Service	-	-	121,104	121,104
Capital	2,092,127	7,922,784	7,904,001	(18,783)
	36,702,690	44,657,873	42,294,906	(2,362,967)
Excess of Revenues Over Expenditures Before Other Financing Uses	7,568,052	6,025,721	14,891,968	8,866,247
<i>OTHER FINANCING SOURCES/(USES)</i>				
Transfers to Debt Service Fund	(3,317,449)	(3,317,449)	(3,317,449)	-
Transfers to Capital Reserve Fund	(1,735,000)	(7,328,643)	(6,928,643)	400,000
Transfers to Special Revenue Funds	-	(80,000)	(80,000)	-
Transfer to Solid Waste Fund	(1,020,955)	(1,192,777)	(808,998)	383,779
Transfers to Civic Center Fund	(363,558)	(463,619)	(559,766)	(96,147)
	(6,436,962)	(12,382,488)	(11,694,856)	687,632
Total Revenues Over (Under) Expenditures	\$ 1,131,090	\$ (6,356,767)	\$ 3,197,112	\$ 9,553,879

BUDGETARY COMPARISON SCHEDULE, CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

The reported budgetary data represents the final appropriated budget after amendments adopted by the City Council. An appropriated budget was legally adopted for the General Fund on the same modified-accrual basis used to present actual revenues and expenditures, except that for budgetary purposes, current year encumbrances are treated as expenditures. The following is a summary of the reconciliation of GAAP revenues over expenditures to budgetary revenues over expenditures for the fiscal year ended September 30, 2024:

GAAP Revenues Over Expenditures	\$	3,334,460
Encumbrances outstanding at:		
September 30, 2024		(337,489)
September 30, 2023		210,700
Encumbrances released during FY 2024		<u>(10,559)</u>
Budgetary Revenues over Expenditures	\$	<u><u>3,197,112</u></u>



THIS PAGE LEFT INTENTIONALLY BLANK

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2023	2022	2021	2020	2019
Total pension liability					
Service Cost	\$ 1,659,041	\$ 1,513,036	\$ 1,207,312	\$ 1,047,182	\$ 1,016,908
Interest	3,549,985	3,297,167	3,048,043	2,762,544	2,615,666
Changes of benefit terms	-	33,368	-	655,710	-
Differences between expected and actual experience	1,634,726	512,891	377,281	955,818	43,498
Changes of assumptions	-	-	1,978,692	-	-
Benefit payments, including refunds of employee contributions	(2,264,890)	(2,003,619)	(1,776,738)	(1,689,189)	(1,572,504)
Transfers among employers	(467,385)	171,327	(48,846)	19,482	(137,723)
Net change in pension liability	4,111,477	3,524,170	4,785,744	3,751,547	1,965,845
Total pension liability - beginning	48,783,252	45,259,082	40,473,338	36,721,791	34,755,946
Total pension liability - ending (a)	\$ 52,894,729	\$ 48,783,252	\$ 45,259,082	\$ 40,473,338	\$ 36,721,791
Plan fiduciary net position					
Contributions - employer	\$ 1,053,190	\$ 1,001,870	\$ 813,810	\$ 675,213	\$ 721,366
Contributions - member	1,222,926	1,039,240	949,387	744,248	716,370
Net investment income	4,721,492	(5,351,311)	7,590,179	1,856,011	819,693
Benefit payments, including refunds of employee contributions	(2,264,890)	(2,003,619)	(1,776,738)	(1,689,189)	(1,572,504)
Transfers among employers	(467,385)	171,327	(48,846)	19,482	(137,723)
Net change in plan fiduciary net position	4,265,333	(5,142,493)	7,527,792	1,605,765	547,202
Plan net position - beginning	36,596,398	41,738,891	34,211,099	32,605,334	32,058,132
Plan net position - ending (b)	\$ 40,861,731	\$ 36,596,398	\$ 41,738,891	\$ 34,211,099	\$ 32,605,334
Net pension liability (a) - (b)	\$ 12,032,998	\$ 12,186,854	\$ 3,520,191	\$ 6,262,239	\$ 4,116,457
Plan fiduciary net position as a percentage of the total pension liability	77.25%	72.02%	92.22%	84.53%	88.79%
Covered payroll	\$ 16,656,529	\$ 15,586,132	\$ 13,974,720	\$ 12,785,057	\$ 11,979,125
Net pension liability as a percentage of covered payroll	72.24%	78.19%	25.19%	48.98%	34.36%

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 980,412	\$ 979,924	\$ 955,939	\$ 939,089	\$ 907,051
Interest	2,503,491	2,398,372	2,166,725	2,007,083	1,850,235
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(177,108)	(708,794)	378,237	(57,447)	-
Changes of assumptions	209,165	-	1,268,564	-	-
Benefit payments, including refunds of employee contributions	(1,504,465)	(1,027,132)	(998,271)	(788,143)	(805,216)
Transfers among employers	(310,889)	(47,331)	105,914	-	-
Net change in pension liability	<u>1,700,606</u>	<u>1,595,039</u>	<u>3,877,108</u>	<u>2,100,582</u>	<u>1,952,070</u>
Total pension liability - beginning	<u>33,055,340</u>	<u>31,460,301</u>	<u>27,583,193</u>	<u>25,482,611</u>	<u>23,530,541</u>
Total pension liability - ending (a)	<u>\$ 34,755,946</u>	<u>\$ 33,055,340</u>	<u>\$ 31,460,301</u>	<u>\$ 27,583,193</u>	<u>\$ 25,482,611</u>
Plan fiduciary net position					
Contributions - employer	\$ 626,766	\$ 637,713	\$ 641,261	\$ 633,555	\$ 632,854
Contributions - member	652,867	647,392	590,706	573,980	555,923
Net investment income	2,738,263	3,376,870	2,412,220	272,002	2,401,618
Benefit payments, including refunds of employee contributions	(1,504,465)	(1,027,132)	(998,271)	(788,143)	(805,216)
Transfers among employers	(310,889)	(47,331)	105,914	214,633	2,082
Net change in plan fiduciary net position	<u>2,202,542</u>	<u>3,587,512</u>	<u>2,751,830</u>	<u>906,027</u>	<u>2,787,261</u>
Plan net position - beginning	<u>29,855,590</u>	<u>26,268,078</u>	<u>23,516,248</u>	<u>22,610,221</u>	<u>19,822,960</u>
Plan net position - ending (b)	<u>\$ 32,058,132</u>	<u>\$ 29,855,590</u>	<u>\$ 26,268,078</u>	<u>\$ 23,516,248</u>	<u>\$ 22,610,221</u>
Net pension liability (a) - (b)	\$ 2,697,814	\$ 3,199,750	\$ 5,192,223	\$ 4,066,945	\$ 2,872,390
Plan fiduciary net position as a percentage of the total pension liability	92.24%	90.32%	83.50%	85.26%	88.73%
Covered payroll	\$ 11,459,499	\$ 11,055,399	\$ 10,535,450	\$ 11,081,322	\$ 11,081,322
Net pension liability as a percentage of covered payroll	23.54%	28.94%	49.28%	36.70%	25.92%

SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 1,076,027	\$ 1,050,648	\$ 954,878	\$ 813,810	\$ 675,213
Contributions in relation to the actuarially determined contribution	1,076,027	1,050,648	954,878	813,810	675,213
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,027,737	\$ 16,656,529	\$ 15,586,132	\$ 13,974,720	\$ 12,785,057
Contributions as a percentage of covered payroll	5.97%	6.31%	6.13%	5.82%	5.28%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 739,705	\$ 626,766	\$ 636,895	\$ 639,362	\$ 633,226
Contributions in relation to the actuarially determined contribution	739,705	626,766	636,895	639,362	633,226
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,979,125	\$ 11,459,499	\$ 11,055,399	\$ 10,535,450	\$ 11,081,322
Contributions as a percentage of covered payroll	6.17%	5.47%	5.76%	6.07%	5.71%

Notes to Schedule

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2024 were based on the September 30, 2021 actuarial valuation. Methods and Assumptions used to determine contribution rates are as follows:

Actuarial Cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	17.4 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation



THIS PAGE LEFT INTENTIONALLY BLANK

SCHEDULE OF CHANGES IN OPEB LIABILITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2024	2023	2022	2021
Total OPEB liability				
Service Cost	\$ 177,867	\$ 168,593	\$ 106,520	\$ 96,764
Interest	393,055	314,129	276,678	289,182
Changes of benefit terms	-	11,359	-	-
Differences between expected and actual experience	-	1,914,611	356,024	(390,855)
Changes of assumptions	-	(739,478)	-	-
Benefit payments	(345,945)	(185,500)	(228,401)	(216,494)
Net change in pension liability	224,977	1,483,714	510,821	(221,403)
Total OPEB liability - beginning	7,139,238	5,655,524	5,144,703	5,366,106
Total OPEB liability - ending (a)	\$ 7,364,215	\$ 7,139,238	\$ 5,655,524	\$ 5,144,703
Plan Fiduciary Net Position				
Contributions - employer	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Contributions - member	-	-	-	-
Net investment income	218,513	54,156	(177,829)	43,841
Benefit payments	-	-	-	-
Administrative expense	(7,291)	(5,694)	(5,452)	(5,879)
Net change in fiduciary net position	461,222	298,462	66,719	287,962
Plan Fiduciary net position - beginning	1,179,072	880,610	813,891	525,929
Plan Fiduciary net position - ending (b)	\$ 1,640,294	\$ 1,179,072	\$ 880,610	\$ 813,891
Net OPEB liability - ending (a) - (b)	\$ 5,723,921	\$ 5,960,166	\$ 4,774,914	\$ 4,330,812
Covered payroll	\$ 16,449,158	\$ 15,790,686	\$ 12,559,618	\$ 12,076,556
Net OPEB liability as a percentage of covered payroll	34.80%	37.74%	38.02%	35.86%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF CHANGES IN OPEB LIABILITY, CONTINUED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2020	2019	2018
Total OPEB liability			
Service Cost	\$ 140,575	\$ 104,780	\$ 106,280
Interest	167,094	240,503	240,903
Changes of benefit terms	-	-	-
Differences between expected and actual experience	513,657	(451,267)	306,848
Changes of assumptions	(1,633,207)	841,543	(288,357)
Benefit payments	(207,502)	(207,502)	(165,191)
Net change in pension liability	(1,019,383)	528,057	200,483
Total OPEB liability - beginning	6,385,489	5,857,432	5,656,949
Total OPEB liability - ending (a)	<u>\$ 5,366,106</u>	<u>\$ 6,385,489</u>	<u>\$ 5,857,432</u>
 Plan Fiduciary Net Position			
Contributions - employer	\$ 500,000	\$ -	\$ -
Contributions - member	-	-	-
Net investment income	27,181	-	-
Benefit payments	-	-	-
Administrative expense	(1,252)	-	-
Net change in fiduciary net position	525,929	-	-
Plan Fiduciary net position - beginning	-	-	-
Plan Fiduciary net position - ending (b)	<u>\$ 525,929</u>	<u>\$ -</u>	<u>\$ -</u>
 Net OPEB liability - ending (a) - (b)	<u>\$ 4,840,177</u>	<u>\$ 6,385,489</u>	<u>\$ 5,857,432</u>
 Covered payroll	\$ 11,301,478	\$ 10,866,806	\$ 10,695,256
 Net OPEB liability as a percentage of covered payroll	42.83%	58.76%	54.77%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 609,715	\$ 511,005	\$ 404,503	\$ 429,793	\$ 452,204
Contributions in relation to the actuarially determined contribution					
Employer contributions to trust	250,000	250,000	250,000	250,000	500,000
Employer paid retiree premiums	345,945	185,500	228,401	216,494	207,502
Employer paid expenses	-	-	-	-	-
	595,945	435,500	478,401	466,494	707,502
Contribution deficiency (excess)	\$ 13,770	\$ 75,505	\$ (73,898)	\$ (36,701)	\$ (255,298)
Covered payroll	\$ 16,449,158	\$ 15,790,686	\$ 12,559,618	\$ 12,076,556	\$ 11,301,478
Contributions as a percentage of covered payroll	3.62%	2.76%	3.81%	3.86%	6.26%

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

Notes to Schedule

Actuarially determined contribution rates are calculated as of the last day of the fiscal year in which contributions are reported. Methods and Assumptions used to determine contribution rates:

Actuarial Cost method	Individual Entry Age Normal
Amortization method	Level dollar
Amortization period	Average remaining service life of actives and retirees
Inflation	2.75% annual
Salary increases	Salary increases are from the ERS Valuation, as follows. These rates include the inflation assumption, above.

	<u>Service</u>	<u>Rate</u>
	0	6.00%
	1-5	4.25%
	6-10	4.00%
	11-15	3.75%
	16-19	3.50%
	20+	3.25%
Prior Discount Rate	5.5%	

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB, CONTINUED
LAST TEN FISCAL YEARS

Notes to Schedule (Continued)

Discount Rate	Since this plan is a defined benefit OPEB plan with meets the requirements of paragraph 4 of GASB Statement 75, the investment return assumption is determined in accordance with paragraph 36 of GASB Statement 75. Since the OPEB’s plan’s fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), the expected long-term rate of return on plan investments equal to 5.5% annually was used.
Assets used for ADC	Market value
Amortization for ADC	Level dollar, closed amortization, 28 years remaining for 2023-24 ADC
Mortality Rates	Pub-2010 Public Retirement Plans Below-Median Mortality Table for General Employees and Retirees, Headcount Weighted, with full generational projection using 2/3 of the MP-2020 scale
Withdrawal Rates	The rates of withdrawals are from the ERS valuation with a 40% load. Withdrawal rates for members eligible to retire are assumed to be zero.
Retirement Age	The rates of retirement are from the ERS Valuation. The rates are applied based on age and completed years of service according the following table. These rates apply only to individuals eligible to retire.

<u>Age</u>	<u>First Eligible*</u>	<u>Subsequent</u>
49 & Under	0.165	0.105
50 to 57	0.200	0.105
58	0.250	0.125
59	0.230	0.125
60	0.120	0.150
61	0.130	0.120
62	0.230	0.230
63	0.230	0.200
64	0.230	0.170
65	0.320	0.250
66	0.350	0.285
67	0.350	0.240
68 to 79	0.350	0.210
80+	1.000	1.000

*25% are assumed to retire at age 60 with 25 years of service

SCHEDULE OF INVESTMENT RETURNS – OPEB
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	15.27%	5.90%	-17.08%	7.05%	5.65%

Source: Regions Wealth Platform (RWP)

* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

Other Supplementary Information

Description of Non Major Governmental Funds

The **Debt Service Fund** is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. The majority of debt repayment transactions of the City flow through this fund.

Special Revenue Funds are used 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.

Four and Five Cent Gasoline Tax Fund – This fund may be used for street resurfacing; cost of construction, improvement, and maintenance of highways, bridges, and streets; and certain other related purposes. This tax is levied by the State of Alabama and is legally restricted to these express purposes.

Seven Cent Gasoline Tax and Fuel Inspection Fees Fund and Ten Cent Gasoline Tax Fund – Both of these funds may be used for street improvements and maintenance. This tax is levied by the State of Alabama and is legally restricted to these express purposes.

Tree and Flower Fund – This fund may be used for various landscaping improvements on City owned property.

Animal Shelter Fund – This fund accounts for funding received for the construction of a new animal shelter to replace the current outdated building.

Covid-19 Relief Fund – This fund accounts for the grant funds received from the American Rescue Plan Act and the related expenditures.

Mobile Infirmary Building Fund – This fund accounts for all rent received and related expenditures for the Mobile Infirmary Building that was purchased with GOMESA grant proceeds.

Federal and State Drug Recoveries Fund – Court-ordered confiscated funds are remitted to the City for public safety use as set forth by US Departments of Justice and/or Treasury.

Library Fund – Donations and library fines are used to support library operations, purchase capital equipment, and provide certain library materials.

Municipal Court Equipment and Training Fund and Court & Judicial Administration Fund – Both of these funds are mandated by State Law and are maintained by fines levied by the City through its Municipal Court. Uses are restricted to providing additional support for the operations and capital needs of the Municipal Court.

Corrections and Court Fund – This fund is mandated by State Law and is maintained by fines levied by the City through its Municipal Court. Uses are restricted to providing additional support for the operations of the Municipal Court and the Municipal Jail.

Lodging Tax Fund – This fund represents a special tax levied by the City with proceeds used to support the maintenance and acquisition of Bayfront property; to support the acquisition of recreation capital equipment, grounds, and facilities; to support Olde Towne Daphne improvements; and to provide contributions to the Industrial Development Board and the Downtown Redevelopment Authority.

Renaissance Center Fund – A defined portion of sales and use taxes generated within the Renaissance Improvement District are remitted to the District to provide debt service coverage for this District's bond debt.

COMBINING BALANCE SHEET - SUMMARY
NON MAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2024

	Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
ASSETS			
Cash, equity in pooled cash	\$ 4,868,800	\$ 540,576	\$ 5,409,376
Taxes receivable	191,654	-	191,654
Other receivables	8,214	-	8,214
Lease receivables	126,863	-	126,863
Total assets	<u>5,195,531</u>	<u>540,576</u>	<u>5,736,107</u>
LIABILITIES			
Accounts payable	281,854	-	281,854
Accrued liabilities	466	-	466
Bond deposits	113,683	-	113,683
Total liabilities	<u>396,003</u>	<u>-</u>	<u>396,003</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - leases	126,863	-	126,863
Total deferred inflows of resources	<u>126,863</u>	<u>-</u>	<u>126,863</u>
FUND BALANCES			
Restricted	1,817,035	540,576	2,357,611
Committed	2,795,946	-	2,795,946
Assigned	59,684	-	59,684
Total fund balances	<u>4,672,665</u>	<u>540,576</u>	<u>5,213,241</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 5,195,531</u>	<u>\$ 540,576</u>	<u>\$ 5,736,107</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - SUMMARY
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
REVENUES			
Sales, use, luxury taxes	\$ 2,962,834	\$ -	\$ 2,962,834
Fines and forfeitures	426,934	-	426,934
Charges for services	222,003	-	222,003
Intergovernmental	44,050	-	44,050
Grants	137,600	-	137,600
Interest and investment earnings	24,107	32,659	56,766
Contributions	43,571	-	43,571
Total revenues	3,861,099	32,659	3,893,758
EXPENDITURES			
Current expenditures:			
General government	876,910	-	876,910
Public safety	73,248	-	73,248
Public works	12,373	-	12,373
Culture and recreation	341,739	-	341,739
Total current expenditures	1,304,270	-	1,304,270
Capital outlay	4,483,784	-	4,483,784
Debt service:			
Principal	-	3,017,214	3,017,214
Interest	-	987,517	987,517
Cost of debt issuance	-	131,510	131,510
Total expenditures	5,788,054	4,136,241	9,924,295
Excess (deficiency) of revenues over (under) expenditures	(1,926,955)	(4,103,582)	(6,030,537)
OTHER FINANCING SOURCES (USES)			
Transfers in	80,000	4,017,449	4,097,449
Transfers out	(700,000)	(9,007,241)	(9,707,241)
Premium on warrant	-	243,751	243,751
Issuance of debt	-	8,895,000	8,895,000
Total other financing sources (uses)	(620,000)	4,148,959	3,528,959
Net change in fund balances	(2,546,955)	45,377	(2,501,578)
Fund balances, beginning	7,219,620	495,199	7,714,819
Fund balances, ending	\$ 4,672,665	\$ 540,576	\$ 5,213,241



THIS PAGE LEFT INTENTIONALLY BLANK

COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2024

	Four Cent	Seven Cent	Ten Cent	Flower	Animal Shelter	COVID-19 Relief
ASSETS						
Cash, equity in pooled cash	\$ 335,122	\$ 344,071	\$ 291,532	\$ 10,287	\$ 349,901	\$ -
Taxes receivable	5,788	7,303	21,791	-	-	-
Lease receivables	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-
Total assets	340,910	351,374	313,323	10,287	349,901	-
LIABILITIES						
Accounts payable	-	-	38,383	-	24,162	-
Accrued liabilities	-	-	-	-	-	-
Bond deposits	-	-	-	-	-	-
Total liabilities	-	-	38,383	-	24,162	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - leases	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted	340,910	351,374	274,940	-	-	-
Committed	-	-	-	10,287	325,739	-
Assigned	-	-	-	-	-	-
Total fund balances	340,910	351,374	274,940	10,287	325,739	-
Total liabilities, deferred inflow of resources, and fund balances	\$ 340,910	\$ 351,374	\$ 313,323	\$ 10,287	\$ 349,901	\$ -

Mobile Infirmary Building	Federal Drug Recoveries	State Drug Recoveries	Library	Mun Court: Eq/Training	Corrections/ Court	Lodging Tax	Renaissance Center	Total
\$ 101,423	\$ 303,464	\$ 97,332	\$ 70,015	\$ 40,250	\$ 504,951	\$ 2,420,452	\$ -	\$ 4,868,800
-	-	-	-	-	-	156,772	-	191,654
126,863	-	-	-	-	-	-	-	126,863
-	-	-	-	-	8,214	-	-	8,214
<u>228,286</u>	<u>303,464</u>	<u>97,332</u>	<u>70,015</u>	<u>40,250</u>	<u>513,165</u>	<u>2,577,224</u>	<u>-</u>	<u>5,195,531</u>
17,019	23,083	-	10,331	-	51,572	117,304	-	281,854
-	-	-	-	-	466	-	-	466
-	-	-	-	-	113,683	-	-	113,683
<u>17,019</u>	<u>23,083</u>	<u>-</u>	<u>10,331</u>	<u>-</u>	<u>165,721</u>	<u>117,304</u>	<u>-</u>	<u>396,003</u>
126,863	-	-	-	-	-	-	-	126,863
<u>126,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,863</u>
84,404	280,381	97,332	-	40,250	347,444	-	-	1,817,035
-	-	-	-	-	-	2,459,920	-	2,795,946
-	-	-	59,684	-	-	-	-	59,684
<u>84,404</u>	<u>280,381</u>	<u>97,332</u>	<u>59,684</u>	<u>40,250</u>	<u>347,444</u>	<u>2,459,920</u>	<u>-</u>	<u>4,672,665</u>
<u>\$ 228,286</u>	<u>\$ 303,464</u>	<u>\$ 97,332</u>	<u>\$ 70,015</u>	<u>\$ 40,250</u>	<u>\$ 513,165</u>	<u>\$ 2,577,224</u>	<u>\$ -</u>	<u>\$ 5,195,531</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Four Cent	Seven Cent	Ten Cent	Flower	Animal Shelter	COVID-19 Relief
REVENUES						
Sales, use, luxury taxes	\$ 62,374	\$ 78,942	\$ 224,743	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	-	-	-	-	-	122,600
Interest and investment earnings	2,271	2,236	2,022	-	-	-
Contributions	-	-	-	-	38,750	-
Total revenues	64,645	81,178	226,765	-	38,750	122,600
EXPENDITURES						
Current:						
General government	-	-	-	-	-	122,600
Public safety	-	-	-	-	-	-
Public works	-	-	-	12,373	-	-
Culture and recreation	-	-	-	-	44,642	-
Total current	-	-	-	12,373	44,642	122,600
Capital outlay	-	-	126,374	-	2,538,313	-
Total expenditures	-	-	126,374	12,373	2,582,955	122,600
Excess (deficiency) of revenues over (under) expenditures	64,645	81,178	100,391	(12,373)	(2,544,205)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	80,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	80,000	-
Net change in fund balances	64,645	81,178	100,391	(12,373)	(2,464,205)	-
Fund balances, beginning	276,265	270,196	174,549	22,660	2,789,944	-
Fund balances, ending	\$340,910	\$ 351,374	\$ 274,940	\$ 10,287	\$ 325,739	\$ -

Mobile Infirmery Building	Federal Drug Recoveries	State Drug Recoveries	Library	Mun Court Eq/Training	Corrections Court	Lodging Tax	Renaissance Center	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,162,702	\$ 434,073	\$2,962,834
-	238,543	2,353	10,685	6,433	168,920	-	-	426,934
217,121	-	-	4,882	-	-	-	-	222,003
-	-	-	44,050	-	-	-	-	44,050
-	-	-	15,000	-	-	-	-	137,600
9,081	6,241	1,817	-	-	439	-	-	24,107
-	-	-	4,821	-	-	-	-	43,571
226,202	244,784	4,170	79,438	6,433	169,359	2,162,702	434,073	3,861,099
-	-	-	-	6,291	63,633	250,313	434,073	876,910
-	12,547	-	-	-	60,701	-	-	73,248
-	-	-	-	-	-	-	-	12,373
189,721	-	-	64,005	-	-	43,371	-	341,739
189,721	12,547	-	64,005	6,291	124,334	293,684	434,073	1,304,270
-	146,002	-	-	-	74,336	1,598,759	-	4,483,784
189,721	158,549	-	64,005	6,291	198,670	1,892,443	434,073	5,788,054
36,481	86,235	4,170	15,433	142	(29,311)	270,259	-	(1,926,955)
-	-	-	-	-	-	-	-	80,000
-	-	-	-	-	-	(700,000)	-	(700,000)
-	-	-	-	-	-	(700,000)	-	(620,000)
36,481	86,235	4,170	15,433	142	(29,311)	(429,741)	-	(2,546,955)
47,923	194,146	93,162	44,251	40,108	376,755	2,889,661	-	7,219,620
\$ 84,404	\$ 280,381	\$ 97,332	\$ 59,684	\$ 40,250	\$ 347,444	\$ 2,459,920	\$ -	\$4,672,665

BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 260,601	\$ 10,601
Grants	-	2,088,322	2,088,320	(2)
Interest and investment earnings	15,500	15,500	57,752	42,252
Contributions	-	-	10,000	10,000
Miscellaneous	-	10,000	-	(10,000)
Total revenues	<u>265,500</u>	<u>2,363,822</u>	<u>2,416,673</u>	<u>52,851</u>
EXPENDITURES				
Current:				
General government	500	60,500	978	(59,522)
Public works	-	-	30,348	30,348
Capital outlay	<u>2,035,000</u>	<u>9,676,965</u>	<u>8,047,223</u>	<u>(1,629,742)</u>
Total expenditures	<u>2,035,500</u>	<u>9,737,465</u>	<u>8,078,549</u>	<u>(1,658,916)</u>
Excess expenditures over revenue	<u>(1,770,000)</u>	<u>(7,373,643)</u>	<u>(5,661,876)</u>	<u>1,711,767</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,735,000</u>	<u>7,328,643</u>	<u>6,928,643</u>	<u>(400,000)</u>
Total other financing sources	<u>1,735,000</u>	<u>7,328,643</u>	<u>6,928,643</u>	<u>(400,000)</u>
Net change in fund balance	<u>\$ (35,000)</u>	<u>\$ (45,000)</u>	<u>\$ 1,266,767</u>	<u>\$ (1,311,767)</u>

BUDGETARY COMPARISON SCHEDULE
2023 CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	398,995	398,995
Total revenues	-	-	398,995	398,995
EXPENDITURES				
Capital outlay	-	8,809,389	3,162,737	(5,646,652)
Total expenditures	-	8,809,389	3,162,737	(5,646,652)
Excess expenditures over revenue	-	(8,809,389)	(2,763,742)	6,045,647
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,007,241	9,007,241
Total other financing sources	-	-	9,007,241	9,007,241
Net change in fund balance	\$ -	\$ (8,809,389)	\$ 6,243,499	\$ (15,052,888)

BUDGETARY COMPARISON SCHEDULE
NON MAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Interest and investment earnings	\$ -	\$ -	\$ 32,659	\$ 32,659
Total revenues	-	-	32,659	32,659
EXPENDITURES				
Debt service:				
Principal	3,095,617	3,029,617	3,017,214	(12,403)
Interest	921,832	987,832	987,517	(315)
Cost of debt issuance	-	-	131,510	131,510
Total expenditures	4,017,449	4,017,449	4,136,241	118,792
Excess expenditures over revenue	(4,017,449)	(4,017,449)	(4,103,582)	(86,133)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,017,449	4,017,449	4,017,449	-
Transfers out	-	-	(9,007,241)	(9,007,241)
Issuance of debt	-	-	243,751	243,751
Premium on warrants	-	-	8,895,000	8,895,000
Total other financing sources	4,017,449	4,017,449	4,148,959	131,510
Net change in fund balance	\$ -	\$ -	\$ 45,377	\$ 45,377

BUDGETARY COMPARISON SCHEDULES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Four Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 61,500	\$ 61,500	\$ 62,374	\$ 874
Interest and investment earnings	750	750	2,271	1,521
Total revenues	<u>62,250</u>	<u>62,250</u>	<u>64,645</u>	<u>2,395</u>
Excess revenue over expenditures	<u>62,250</u>	<u>62,250</u>	<u>64,645</u>	<u>2,395</u>
Net change in fund balance	<u>\$ 62,250</u>	<u>\$ 62,250</u>	<u>\$ 64,645</u>	<u>\$ (2,395)</u>

Seven Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 77,500	\$ 75,500	\$ 78,942	\$ 3,442
Interest and investment earnings	500	500	2,236	1,736
Total revenues	<u>78,000</u>	<u>128,615</u>	<u>81,178</u>	<u>(47,437)</u>
Excess revenue over expenditures	<u>78,000</u>	<u>76,000</u>	<u>81,178</u>	<u>5,178</u>
Net change in fund balance	<u>\$ 78,000</u>	<u>\$ 76,000</u>	<u>\$ 81,178</u>	<u>\$ (5,178)</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Ten Cent Gas Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 202,000	\$ 202,000	\$ 224,743	\$ 22,743
Interest and investment earnings	500	500	2,022	1,522
Total revenues	202,500	202,500	226,765	24,265
EXPENDITURES				
Capital outlay	175,000	175,000	126,374	(48,626)
Total expenditures	175,000	175,000	126,374	(48,626)
Excess revenue over expenditures	27,500	27,500	100,391	72,891
Net change in fund balance	\$ 27,500	\$ 27,500	\$ 100,391	\$ (72,891)

Animal Shelter Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Contributions	\$ -	\$ -	\$ 38,750	\$ 38,750
Total revenues	-	-	38,750	38,750
EXPENDITURES				
Current:				
Culture and recreation	-	-	44,642	44,642
Capital outlay	-	80,000	2,538,313	2,458,313
Total expenditures	-	80,000	2,582,955	2,502,955
Excess expenditures over revenue	-	(80,000)	(2,544,205)	(2,464,205)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	80,000	80,000	-
Total other financing sources	-	80,000	80,000	-
Net change in fund balance	\$ -	\$ -	\$ (2,464,205)	\$ 2,464,205

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

COVID-19 Relief Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Grants	\$ -	\$ -	\$ 122,600	\$ 122,600
Total revenues	-	-	122,600	122,600
EXPENDITURES				
Current:				
General government	-	122,600	122,600	-
Total expenditures	-	122,600	122,600	-
Excess expenditures over revenue	-	(122,600)	-	122,600
Net change in fund balance	\$ -	\$ (122,600)	\$ -	\$ (122,600)

Mobile Infirmary Building Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Charges for services	\$ 234,500	\$ 234,500	\$ 217,121	\$ (17,379)
Interest and investment earnings		-	9,081	9,081
Total revenues	234,500	234,500	226,202	(8,298)
EXPENDITURES				
Current:				
Culture and recreation	231,320	231,320	189,721	(41,599)
Total expenditures	231,320	231,320	189,721	(41,599)
Excess revenue over expenditures	3,180	3,180	36,481	33,301
Net change in fund balance	\$ 3,180	\$ 3,180	\$ 36,481	\$ (33,301)

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Library Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 10,685	\$ 1,685
Charges for services	5,000	5,000	4,882	(118)
Intergovernmental	33,000	38,650	44,050	5,400
Grants	15,000	15,000	15,000	-
Contributions	1,500	1,500	4,821	3,321
Total revenues	<u>63,500</u>	<u>69,150</u>	<u>79,438</u>	<u>10,288</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>60,362</u>	<u>66,012</u>	<u>64,005</u>	<u>(2,007)</u>
Total expenditures	<u>60,362</u>	<u>66,012</u>	<u>64,005</u>	<u>(2,007)</u>
Excess revenue over expenditures	<u>3,138</u>	<u>3,138</u>	<u>15,433</u>	<u>(12,295)</u>
Net change in fund balance	<u>\$ 3,138</u>	<u>\$ 3,138</u>	<u>\$ 15,433</u>	<u>\$ (12,295)</u>

Renaissance Center:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 357,000	\$ 357,000	\$ 434,073	\$ 77,073
Total revenues	<u>357,000</u>	<u>357,000</u>	<u>434,073</u>	<u>77,073</u>
EXPENDITURES				
Current:				
General government	<u>357,000</u>	<u>357,000</u>	<u>434,073</u>	<u>77,073</u>
Total expenditures	<u>357,000</u>	<u>357,000</u>	<u>434,073</u>	<u>77,073</u>
Excess expenditures over revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Corrections and Court Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 144,000	\$ 144,000	\$ 168,920	\$ 24,920
Interest and investment earnings	-	-	439	439
Total revenues	<u>144,000</u>	<u>144,000</u>	<u>169,359</u>	<u>25,359</u>
EXPENDITURES				
Current:				
General government	80,943	80,943	63,633	(17,310)
Public safety	45,500	45,500	60,701	15,201
Capital outlay	-	-	74,336	74,336
Total expenditures	<u>126,443</u>	<u>126,443</u>	<u>198,670</u>	<u>72,227</u>
Excess expenditures over revenue	<u>17,557</u>	<u>17,557</u>	<u>(29,311)</u>	<u>(46,868)</u>
Net change in fund balance	<u>\$ 17,557</u>	<u>\$ 17,557</u>	<u>\$ (29,311)</u>	<u>\$ 46,868</u>

Municipal Court Training and Equipment Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 6,433	\$ 933
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>6,433</u>	<u>933</u>
EXPENDITURES				
Current:				
General government	5,400	5,400	6,291	891
Total expenditures	<u>5,400</u>	<u>5,400</u>	<u>6,291</u>	<u>891</u>
Excess revenue over expenditures	<u>100</u>	<u>100</u>	<u>142</u>	<u>42</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 142</u>	<u>\$ (42)</u>

BUDGETARY COMPARISON SCHEDULES, CONTINUED
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Lodging Tax Fund:

	BUDGETED AMOUNTS		ACTUAL	Variance-
	Original	Final	Budgetary Basis	(Under)Over Final Budget
REVENUES				
Sales, use, luxury taxes	\$ 2,158,349	\$ 2,158,349	\$ 2,162,702	\$ 4,353
Total revenues	2,158,349	2,158,349	2,162,702	4,353
EXPENDITURES				
Current:				
General government	252,502	252,502	250,313	(2,189)
Public works	-	-	-	-
Culture and recreation	-	-	43,371	43,371
Capital outlay	-	20,600	1,598,759	1,578,159
Total expenditures	252,502	273,102	1,892,443	1,619,341
Excess revenue over expenditures	1,905,847	1,885,247	270,259	(1,614,988)
OTHER FINANCING SOURCES (USES)				
Transfers out	(700,000)	(700,000)	(700,000)	-
Total other financing sources (uses)	(700,000)	(700,000)	(700,000)	-
Net change in fund balance	\$ 1,205,847	\$ 1,185,247	\$ (429,741)	\$ (1,614,988)

Part III Statistical Section



THIS PAGE LEFT INTENTIONALLY BLANK

GUIDE TO STATISTICAL SECTION

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

CONTENTS	PAGE
-----------------	-------------

FINANCIAL TRENDS	134
-------------------------	------------

These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

REVENUE CAPACITY	144
-------------------------	------------

These schedules contain information to help the reader assess the government's local revenue sources.

DEBT CAPACITY	151
----------------------	------------

These schedules contain information to help the reader assess the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

DEMOGRAPHIC & ECONOMIC INFORMATION	156
---	------------

These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION	158
------------------------------	------------

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

Sources: Unless otherwise noted, the information in this section is derived from the annual comprehensive financial reports for the relevant year.

NET POSITION BY ACTIVITY TYPE
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Governmental activities					
Net investment in capital assets	\$ 164,120,444	\$ 140,372,617	\$ 116,205,821	\$ 109,125,523	\$ 97,095,352
Restricted	2,357,611	1,968,303	1,717,757	1,826,949	2,953,220
Unrestricted	37,681,023	37,016,608	41,165,802	33,240,180	24,284,779
Total governmental activities net position	\$ 204,159,078	\$ 179,357,528	\$ 159,089,380	\$ 144,192,652	\$ 124,333,351
Business-type activities					
Net investment in capital assets	\$ 1,039,468	\$ 735,030	\$ 169,453	\$ 290,106	\$ 140,858
Restricted	-	-	-	-	-
Unrestricted	(432,594)	(128,156)	437,421	316,768	466,016
Total business-type activities net position	\$ 606,874				
Primary government					
Net investment in capital assets	\$ 165,159,912	\$ 141,107,647	\$ 116,375,274	\$ 109,415,629	\$ 97,236,210
Restricted	2,357,611	1,968,303	1,717,757	1,826,949	2,953,220
Unrestricted	37,248,429	36,888,452	41,603,223	33,556,948	24,750,795
Total primary government activities net position	\$ 204,765,952	\$ 179,964,402	\$ 159,696,254	\$ 144,799,526	\$ 124,940,225

NET POSITION BY ACTIVITY TYPE, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Governmental activities					
Net investment in capital assets	\$ 89,146,653	\$ 73,073,736	\$ 58,109,624	\$ 64,148,784	\$ 61,391,398
Restricted	2,703,905	5,035,976	14,546,308	4,352,194	4,114,055
Unrestricted	16,869,717	17,262,207	18,117,208	18,231,323	17,197,567
Total governmental activities net position	<u>\$ 108,720,275</u>	<u>\$ 95,371,919</u>	<u>\$ 90,773,140</u>	<u>\$ 86,732,301</u>	<u>\$ 82,703,020</u>
Business-type activities					
Net investment in capital assets	\$ 287,908	\$ 362,045	\$ 411,503	\$ 586,503	\$ 720,777
Restricted	-	-	-	-	-
Unrestricted	318,966	244,829	320,921	145,921	11,647
Total business-type activities net position	<u>\$ 606,874</u>	<u>\$ 606,874</u>	<u>\$ 732,424</u>	<u>\$ 732,424</u>	<u>\$ 732,424</u>
Primary government					
Net investment in capital assets	\$ 89,434,561	\$ 73,435,781	\$ 58,521,127	\$ 64,735,287	\$ 62,112,175
Restricted	2,703,905	5,035,976	14,546,308	4,352,194	4,114,055
Unrestricted	17,188,683	17,507,036	18,438,129	18,377,244	17,209,214
Total primary government activities net position	<u>\$ 109,327,149</u>	<u>\$ 95,978,793</u>	<u>\$ 91,505,564</u>	<u>\$ 87,464,725</u>	<u>\$ 83,435,444</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
EXPENSES					
Governmental activities:					
General government	\$ 8,855,334	\$ 7,307,689	\$ 7,188,850	\$ 7,633,646	\$ 6,128,965
Public safety	17,698,102	16,919,393	15,189,249	14,455,896	13,052,501
Public works	13,153,225	13,260,770	11,124,032	15,984,626	12,030,285
Culture and recreation	7,705,074	6,621,960	5,386,224	3,335,908	2,749,007
Contribution to Utilities Board	-	-	-	-	-
Interest and costs on long term debt	1,075,580	589,454	641,688	1,328,992	1,208,059
Total governmental activities expenses	48,487,315	44,699,266	39,530,043	42,739,068	35,168,817
Business-type activities:					
Solid Waste	2,796,535	2,584,836	2,409,061	2,132,063	2,019,256
Civic Center	987,830	820,316	659,928	598,718	536,488
Bayfront Park	-	-	-	-	90,485
Total business-type activities expenses	3,784,365	3,405,152	3,068,989	2,730,781	2,646,229
Total primary government activities expenses	52,271,680	48,104,418	42,599,032	45,469,849	37,815,046
PROGRAM REVENUES					
Governmental activities:					
Fees and charges for services:					
General government	6,481,284	6,586,273	5,716,094	5,402,187	5,252,189
Public safety	2,494,841	2,169,968	2,476,185	2,027,506	2,259,117
Public works	97,044	74,992	132,063	40,196	101,811
Culture and recreation	870,722	516,274	361,401	253,339	154,582
Operating grants and contributions	189,775	167,414	654,408	5,412,605	2,011,040
Capital grants and contributions	19,453,847	13,592,279	7,257,521	12,922,457	11,155,739
Total governmental program activities revenues	29,587,513	23,107,200	16,597,672	26,058,290	20,934,478
Business-type activities:					
Fees and charges for services:					
Solid Waste	1,976,337	1,943,011	1,863,252	1,761,072	1,267,421
Civic Center	416,998	365,481	383,367	337,858	251,569
Bayfront Park	-	-	-	-	24,982
Operating grants and contributions	-	36,000	-	23,159	4,906
Total business-type activities revenues	2,393,335	2,344,492	2,246,619	2,122,089	1,548,878
Total primary government activities revenues	31,980,848	25,451,692	18,844,291	28,180,379	22,483,356
NET (EXPENSES) / REVENUES					
Governmental activities	\$ (18,899,802)	\$ (21,592,066)	\$ (22,932,371)	\$ (16,680,778)	\$ (14,234,339)
Business-type activities	(1,391,030)	(1,060,660)	(822,370)	(608,692)	(1,097,351)
Total primary government net expense	(20,290,832)	(22,652,726)	(23,754,741)	(17,289,470)	(15,331,690)

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2018	FY 2018	FY 2017	FY 2016	FY 2015
EXPENSES					
Governmental activities:					
General government	\$ 5,599,964	\$ 5,991,913	\$ 5,011,264	\$ 5,210,215	\$ 4,095,602
Public safety	12,260,317	11,973,798	11,510,234	10,839,294	10,540,355
Public works	9,255,484	9,144,870	9,567,947	10,103,725	8,958,122
Culture and recreation	3,484,797	2,909,886	2,981,534	2,837,070	2,682,066
Contribution to Utilities Board	12,551	224,705	1,075,420	364,363	-
Interest and costs on long term debt	2,045,633	1,678,214	1,569,279	1,687,530	1,908,810
Total governmental activities expenses	32,658,746	31,923,386	31,715,678	31,042,197	28,184,955
Business-type activities:					
Solid Waste	1,980,805	1,917,834	1,893,055	1,998,862	2,075,134
Civic Center	476,637	471,520	516,727	525,740	504,049
Bayfront Park	186,947	228,087	242,117	232,108	209,983
Total business-type activities expenses	2,644,389	2,617,441	2,651,899	2,756,710	2,789,166
Total primary government activities expenses	35,303,135	34,540,827	34,367,577	33,798,907	30,974,121
PROGRAM REVENUES					
Governmental activities:					
Fees and charges for services:					
General government	5,128,591	5,034,708	4,853,694	4,621,753	4,582,032
Public safety	1,743,544	1,619,721	1,266,204	1,253,702	1,621,665
Public works	823,980	101,829	127,433	112,707	234,174
Culture and recreation	193,206	108,705	100,430	117,495	107,612
Operating grants and contributions	179,252	248,280	315,312	1,333,091	211,613
Capital grants and contributions	9,700,436	6,454,560	4,828,176	4,178,497	1,563,187
Total governmental program activities revenues	17,769,009	13,567,803	11,491,249	11,617,245	8,320,283
Business-type activities:					
Fees and charges for services:					
Solid Waste	1,611,090	1,550,100	1,411,119	1,367,146	1,329,308
Civic Center	388,632	229,123	210,717	206,086	209,924
Bayfront Park	57,189	68,287	74,305	75,307	67,727
Operating grants and contributions	-	-	-	-	36,287
Total business-type activities revenues	2,056,911	1,847,510	1,696,141	1,648,539	1,643,246
Total primary government activities revenues	19,825,920	15,415,313	13,187,390	13,265,784	9,963,529
NET (EXPENSES) / REVENUES					
Governmental activities	\$ (14,889,737)	\$ (18,355,583)	\$ (20,224,429)	\$ (19,424,952)	\$ (19,864,672)
Business-type activities	(587,478)	(769,931)	(955,758)	(1,108,171)	(1,145,920)
Total primary government net expense	(15,477,215)	(19,125,514)	(21,180,187)	(20,533,123)	(21,010,592)

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
General revenues					
Sales, use, and luxury taxes	31,802,321	31,629,098	30,651,129	28,889,599	23,589,566
Ad valorem taxes	10,751,127	9,654,925	8,354,152	7,113,864	6,641,675
Interest and investment earnings (loss)	1,768,401	483,137	(738,142)	92,550	386,567
Gain/(loss) on disposition of assets	642,800	6,807	48,931	82,326	(84,912)
Miscellaneous	105,467	862,189	124,645	919,627	71,527
Total general revenues	45,070,116	42,636,156	38,440,715	37,097,966	30,604,423
Transfers	(1,368,764)	(1,008,223)	(608,150)	(557,887)	(757,008)
Total governmental activities	43,701,352	41,627,933	37,832,565	36,540,079	29,847,415
Business-type activities:					
Gain/(loss) on disposition of assets	11,200	33,800	188,181	50,805	340,343
Interest and investment earnings (loss)	11,066	18,637	26,039		
Transfers	1,368,764	1,008,223	608,150	557,887	757,008
Total business-type activities	1,391,030	1,060,660	822,370	608,692	1,097,351
Total primary government	45,092,382	42,688,593	38,654,935	37,148,771	30,944,766
CHANGES IN NET POSITION					
Governmental activities	24,801,550	20,035,867	14,900,194	19,859,301	15,613,076
Business-type activities	-	-	-	-	-
Total primary government	\$ 24,801,550	\$ 20,035,867	\$ 14,900,194	\$ 19,859,301	\$ 15,613,076

CHANGES IN NET POSITION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
General revenues					
Sales, use, and luxury taxes	21,837,498	20,665,705	19,239,333	18,367,765	17,175,134
Ad valorem taxes	6,318,657	6,088,719	5,828,033	5,488,662	5,219,736
Interest and investment earnings	482,378	62,517	26,398	187,203	213,194
Gain/(loss) on disposition of assets	82,951	1,765	62,557	-	(78,360)
Miscellaneous	74,494	55,507	57,747	518,774	41,014
Total general revenues	28,795,978	26,874,213	25,214,068	24,562,404	22,570,718
Transfers	(557,885)	(865,119)	(948,770)	(1,108,171)	(1,529,222)
Total governmental activities	28,238,093	26,009,094	24,265,298	23,454,233	21,041,496
Business-type activities:					
Gain/(loss) on disposition of assets	29,593	1,406	6,988	-	722
Transfers	557,885	865,119	948,770	1,108,171	1,529,222
Total business-type activities	587,478	866,525	955,758	1,108,171	1,529,944
Total primary government	28,825,571	26,875,619	25,221,056	24,562,404	22,571,440
CHANGES IN NET POSITION					
Governmental activities	13,348,356	7,653,511	4,040,869	4,029,281	1,176,824
Business-type activities	-	96,594	-	-	384,024
Total primary government	\$ 13,348,356	\$ 7,750,105	\$ 4,040,869	\$ 4,029,281	\$ 1,560,848

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
General Fund					
Nonspendable	\$ 1,102,991	\$ 1,010,199	\$ 945,107	\$ 773,493	\$ 666,965
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	337,489	210,700	871,894	1,299,406	924,538
Unassigned	29,542,597	26,427,718	24,724,161	22,249,938	17,963,738
Total General Fund	<u>\$ 30,983,077</u>	<u>\$ 27,648,617</u>	<u>\$ 26,541,162</u>	<u>\$ 24,322,837</u>	<u>\$ 19,555,241</u>
All Other Governmental Funds					
Restricted	\$ 8,601,110	\$ 1,968,303	\$ 1,717,757	\$ 1,826,949	\$ 2,953,220
Committed	2,795,946	5,702,265	4,280,787	4,772,152	2,096,938
Assigned	5,739,002	4,456,802	7,895,141	4,610,173	4,137,154
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>17,136,058</u>	<u>12,127,370</u>	<u>13,893,685</u>	<u>11,209,274</u>	<u>9,187,312</u>
Total All Governmental Funds	<u>\$ 48,119,135</u>	<u>\$ 39,775,987</u>	<u>\$ 40,434,847</u>	<u>\$ 35,532,111</u>	<u>\$ 28,742,553</u>

FUND BALANCES OF GOVERNMENTAL FUNDS, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
General Fund					
Nonspendable	\$ 669,267	\$ 680,850	\$ 672,414	\$ 425,200	\$ 413,384
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	798,971	848,386	1,047,284	633,724	200,121
Unassigned	14,774,723	13,180,837	12,239,966	12,671,707	10,967,353
Total General Fund	<u>\$ 16,242,961</u>	<u>\$ 14,710,073</u>	<u>\$ 13,959,664</u>	<u>\$ 13,730,631</u>	<u>\$ 11,580,858</u>
All Other Governmental Funds					
Restricted	\$ 3,623,660	\$ 10,276,812	\$ 14,546,308	\$ 4,352,194	\$ 4,114,055
Committed	2,328,807	2,422,164	2,176,032	1,861,490	2,854,833
Assigned	2,449,983	3,647,501	2,768,997	2,405,846	1,680,915
Unassigned	-	-	(13,961)	(13,961)	(685,893)
Total All Other Governmental Funds	<u>8,402,450</u>	<u>16,346,477</u>	<u>19,477,376</u>	<u>8,605,569</u>	<u>7,963,910</u>
Total All Governmental Funds	<u>\$ 24,645,411</u>	<u>\$ 31,056,550</u>	<u>\$ 33,437,040</u>	<u>\$ 22,336,200</u>	<u>\$ 19,544,768</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Revenues					
Taxes	\$ 43,977,208	\$ 42,382,453	\$ 40,042,879	\$ 37,676,199	\$ 32,080,853
Licenses and permits	4,794,409	4,465,309	4,438,217	3,904,382	3,948,199
Intergovernmental	807,808	969,601	980,494	921,414	1,027,054
Charges for services	1,519,771	1,258,531	889,366	950,552	603,641
Fines and forfeitures	780,962	584,012	646,666	451,038	514,508
Grants and contributions	8,648,169	10,564,306	2,669,897	6,558,214	2,014,316
Interest and investment earnings (loss)	1,768,400	483,137	(738,142)	92,549	386,568
Other	1,599,573	969,797	185,375	816,109	181,978
Total Revenues	63,896,300	61,677,146	49,114,752	51,370,457	40,757,117
Expenditures					
General government	8,299,571	6,814,883	7,019,675	7,257,682	5,922,934
Public safety	15,697,731	15,096,922	14,694,182	12,402,484	11,676,554
Public works	6,566,794	7,039,914	5,392,009	9,656,550	6,157,112
Culture and recreation	4,895,035	4,462,668	3,692,601	2,944,392	2,416,496
Contribution to Utilities Board	-	-	-	-	-
	35,459,131	33,414,387	30,798,467	32,261,108	26,173,096
Debt Service					
Principal	3,112,986	2,761,404	2,736,460	22,490,219	3,283,782
Interest	1,012,849	750,630	765,212	1,051,956	1,247,695
Cost of debt issuance	131,510	-	-	159,812	-
	4,257,345	3,512,034	3,501,672	23,701,987	4,531,477
Capital outlay	23,606,663	24,633,643	10,154,428	6,224,358	5,355,019
Total Expenditures	63,323,139	61,560,064	44,454,567	62,187,453	36,059,592
Excess of Revenues					
Over (Under) Expenditures	573,161	117,082	4,660,185	(10,816,996)	4,697,525
Other Financing Sources (Uses)					
Transfers in	20,033,333	10,731,494	8,805,303	7,508,971	7,334,462
Transfers out	(21,402,097)	(11,739,717)	(9,413,453)	(8,066,858)	(8,091,470)
Issuance of debt	-	-	850,701	19,947	156,625
Refunding warrant proceeds (net of discounts)	9,138,751	-	-	18,144,494	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	7,769,987	(1,008,223)	242,551	17,606,554	(600,383)
Net Change in Fund Balances	\$ 8,343,148	\$ (891,141)	\$ 4,902,736	\$ 6,789,558	\$ 4,097,142
Debt Service as a Percentage of					
Non-Capital Expenditures	10.39%	9.51%	10.21%	42.07%	14.76%

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Revenues					
Taxes	\$ 30,261,355	\$ 28,672,686	\$ 26,920,329	\$ 25,744,593	\$ 23,906,257
Licenses and permits	3,290,913	3,160,105	2,811,350	2,674,035	2,654,101
Intergovernmental	806,009	567,105	597,612	1,164,734	701,508
Charges for services	703,089	373,933	351,762	369,011	358,786
Fines and forfeitures	506,574	638,011	571,694	559,513	866,801
Grants and contributions	609,805	1,421,233	760,104	2,721,304	1,026,219
Interest and investment earnings	482,377	62,517	26,398	187,202	213,194
Other	923,049	116,460	175,873	666,584	213,797
Total Revenues	37,583,171	35,012,050	32,215,122	34,086,976	29,940,663
Expenditures					
General government	5,355,778	5,722,939	4,666,815	4,765,650	3,815,611
Public safety	11,367,514	10,925,824	10,240,081	9,999,719	9,737,257
Public works	4,187,278	4,095,667	4,230,430	5,042,520	3,927,456
Culture and recreation	2,552,217	2,162,526	2,223,838	2,094,896	1,957,963
Contribution to Utilities Board	12,551	224,705	1,075,420	364,363	-
	23,475,338	23,131,661	22,436,584	22,267,148	19,438,287
Debt Service					
Principal	4,053,293	3,555,258	3,806,154	3,603,942	4,562,582
Interest	1,390,608	1,542,661	1,474,359	1,247,830	1,600,130
Cost of debt issuance	91,475	10,750	21,500	121,150	124,738
	5,535,376	5,108,669	5,302,013	4,972,922	6,287,450
Capital outlay	16,240,719	9,571,655	4,997,475	5,199,050	4,468,018
Total Expenditures	45,251,433	37,811,985	32,736,072	32,439,120	30,193,755
Excess of Revenues					
Over (Under) Expenditures	(7,668,262)	(2,799,935)	(520,950)	1,647,856	(253,092)
Other Financing Sources (Uses)					
Transfers in	9,678,558	6,532,533	18,376,046	5,653,613	5,599,443
Transfers out	(10,236,443)	(7,397,652)	(19,324,816)	(6,761,784)	(6,744,641)
Issuance of debt	805,355	1,284,564	570,560	1,285,397	481,289
Refunding warrant proceeds (net of discounts)	10,394,024	-	12,000,000	9,281,737	9,983,232
Payment to refunded bond escrow agent	(9,384,371)	-	-	(8,315,387)	(7,034,096)
Total Other Financing Sources (Uses)	1,257,123	419,445	11,621,790	1,143,576	2,285,227
Net Change in Fund Balances	\$ (6,411,139)	\$ (2,380,490)	\$ 11,100,840	\$ 2,791,432	\$ 2,032,135
Debt Service as a Percentage of					
Non-Capital Expenditures	18.77%	18.05%	19.04%	17.81%	23.96%

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

FISCAL YEAR	Sales, Use and Luxury Tax	Gasoline Tax	Payment In Lieu of Taxes	Ad Valorem Tax	Lodging Tax
2024	\$ 28,899,359	\$ 237,103	\$ 2,848,749	\$ 9,829,295	\$ 2,162,702
2023	28,670,015	223,952	3,039,655	8,395,612	2,053,219
2022	28,076,698	223,562	2,711,495	7,377,139	1,653,985
2021	26,415,512	217,609	2,638,733	6,786,084	1,618,261
2020	21,796,694	193,662	2,652,738	6,426,270	1,011,489
2019	19,958,146	218,722	2,652,300	6,190,619	1,241,568
2018	18,862,892	227,979	2,652,495	5,712,928	1,216,392
2017	17,666,885	202,720	2,563,873	5,490,960	1,198,611
2016	15,511,827	191,906	2,455,818	5,209,599	1,113,150
2015	14,491,340	192,497	2,251,462	5,219,736	1,136,521

REVENUE RATES FOR GENERAL SALES TAX
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
2024	2.5%	3.0%	4.0%	9.5%
2023	2.5%	3.0%	4.0%	9.5%
2022	2.5%	3.0%	4.0%	9.5%
2021	2.5%	3.0%	4.0%	9.5%
2020	2.5%	3.0%	4.0%	9.5%
2019	2.5%	3.0%	4.0%	9.5%
2018	2.5%	3.0%	4.0%	9.5%
2017	2.5%	3.0%	4.0%	9.5%
2016	2.5%	3.0%	4.0%	9.5%
2015	2.5%	3.0%	4.0%	9.5%

Source: State of Alabama Department of Revenue

PRINCIPAL REVENUE REMITTERS OF SALES AND USE TAX
CURRENT YEAR AND NINE YEARS AGO

ORGANIZATION	FISCAL YEAR			
	FY 2024 RANK	FY 2024 % of Total Taxable Sales	FY 2015 RANK	FY 2015 % of Total Taxable Sales
Sam's Club	1	7.94%	2	9.12%
Walmart Stores	2	6.55%	1	12.21%
Lowes Home Center	3	4.26%	3	5.88%
Home Depot	4	3.45%	5	3.78%
Target	5	3.45%	4	4.37%
Eastern Shore Toyota	6	2.88%	7	3.50%
Tameron Automotive Eastern Shore	7	1.93%	8	4.58%
Publix	8	1.92%	9	2.63%
Terry Thompson Chevrolet	9	1.44%	10	2.25%
Tameron Buick	10	1.20%		
Chris Myers Pontiac-GMC			6	3.51%

Source: City of Daphne's Revenue Department

* Data was only available for the top 10 organizations each year

NET ASSESSED VALUE OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Total Direct Rates							
Real Property				Personal Property			
Fiscal Year Ended September 30	Utilities	Residential Property	Commercial Property	Automobiles	Penalties	Total Net Assessed Value	Total Direct Tax Rate
2024	\$ 648,640	\$321,417,240	\$ 449,516,460	\$ 84,932,968	\$ 362,640	\$856,877,948	15.00
2023	467,720	290,425,880	394,981,320	79,045,800	354,700	765,275,420	15.00
2022	500,960	243,816,120	349,731,540	67,372,054	254,800	661,675,474	15.00
2021	547,700	208,060,880	297,151,220	57,870,627	164,640	563,795,067	15.00
2020	513,000	191,051,540	286,746,580	48,608,520	155,309	527,074,949	15.00
2019	513,000	179,079,620	278,763,680	46,009,298	12,140	504,377,738	15.00
2018	534,680	152,428,320	238,346,960	44,508,614	35,260	435,853,834	15.00
2017	53,240	140,513,700	226,752,080	46,863,344	14,740	414,197,104	15.00
2016	798,240	130,803,220	215,173,580	47,557,362	75,320	394,407,722	15.00
2015	966,980	124,961,900	203,847,660	44,532,382	184,080	374,493,002	15.00

Source: Baldwin County Revenue Commissioner

Note: Property taxes are assessed and levied one year in arrears.

PRINCIPAL REVENUE REMITTERS OF PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

Taxpayers	FY 2024			FY 2015		
	Assessed Value	Rank	% of Total Net Assessed Value	Assessed Value	Rank	% of Total Net Assessed Value
Audubon 344 LLC	\$ 9,658,900	1	1.71%			
Colonnade at Eastern Shore LLC	8,166,000	2	1.45%			
Jubilee Square LLC	6,869,040	3	1.22%	\$ 6,791,240	1	2.06%
Esfahani Real Estate Holdings	6,680,080	4	1.18%	2,071,920	9	0.63%
CMF III The Gates at Jubilee LLC	6,595,520	5	1.17%			
Belforest Aparments LLC	6,457,100	6	1.15%			
Seagrass Daphne Propco LLC	6,178,640	7	1.10%			
Daphne 546 I LLC Etal	5,913,260	8	1.05%			
Myers Family Limited Partnership	4,825,940	9	0.86%	2,930,740	3	0.89%
OCP Whispering Pines LLC	4,535,000	10	0.80%			
Audubon Park Apartments LLC				4,307,880	2	1.31%
Whispering Pines Park LLC				2,669,420	4	0.81%
Jubilee Ridge LLC				2,652,200	5	0.80%
Lowe's Home Centers Inc				2,246,160	6	0.68%
Ashley Gates - Brookfield LLC				2,240,720	7	0.68%
Walmart Real Estate Business Trust				2,117,080	8	0.64%
Health Care REIT Inc				20,058,340	10	0.61%

Source: Baldwin County Revenue Commissioner

- Data was only available for the top 10 organizations each year and some property owners have changed names

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Direct Rate			Overlapping Rates**					Overlapping Rates**				Total Direct & Overlapping Rates
	City of Daphne			Baldwin County					State of Alabama				
	Operating Millage	School Millage	General Millage	Road / Bridge Millage	Fire Millage	School Millage	Health Care Authority Millage	Total County Millage	General Millage	School Millage	Soldier Millage	Total State Millage	
2024	15.0	3.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	46.0
2023	15.0	3.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	46.0
2022	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2021	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2020	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2019	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2018	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2017	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2016	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0
2015	15.0	0.0	5.0	2.5	1.5	12.0	0.5	21.5	2.5	3.0	1.0	6.5	43.0

Source: Baldwin County Revenue Commissioner

** Overlapping rates are those of county and state governments that apply to property owners within the City of Daphne.

AD VALOREM LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 9,820,475	\$ 8,299,091	84.51%	\$ -	\$ 8,299,091	84.51%
2023	9,111,726	9,103,689	99.91%	4,034	9,107,723	99.96%
2022	7,867,879	7,861,438	99.92%	2,092	7,863,530	99.94%
2021	6,729,663	6,721,981	99.89%	-	6,721,981	99.89%
2020	6,362,692	6,358,329	99.93%	3,936	6,362,265	99.99%
2019	6,066,142	6,060,319	99.90%	4,019	6,064,338	99.97%
2018	5,813,829	5,791,368	99.61%	3,364	5,794,732	99.67%
2017	5,464,020	5,457,542	99.88%	3,619	5,461,161	99.94%
2016	5,185,562	5,180,576	99.90%	4,224	5,184,800	99.98%
2015	4,898,061	4,889,546	99.82%	4,545	4,894,091	99.91%

Source: Baldwin County Revenue Commissioner

Note: Property taxes are collected starting October 1 of the following year, thus 2024 collections represent collections received through the issuance of this report

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Constitutional Debt Limit	\$ 153,032,110	\$ 138,190,221	\$ 119,193,303	\$ 101,497,841	\$ 94,959,482
Total Net Debt Applicable to Limit	(30,284,238)	(24,034,170)	(26,244,302)	(28,416,064)	(32,302,054)
Legal Debt Margin	\$ 122,747,872	\$ 114,156,051	\$ 92,949,001	\$ 73,081,777	\$ 62,657,428
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	19.79%	17.39%	22.02%	28.00%	34.02%

Legal Debt Margin Calculation

Assessed Value	<u>\$ 765,160,548</u>	<u>\$ 690,951,105</u>	<u>\$ 595,966,514</u>	<u>\$ 507,489,207</u>	<u>\$ 474,797,409</u>
Debt Limit (20% of Total Assessed Value)	<u>\$ 153,032,110</u>	<u>\$ 138,190,221</u>	<u>\$ 119,193,303</u>	<u>\$ 101,497,841</u>	<u>\$ 94,959,482</u>
Debt Applicable to Limit:					
General Obligation Bonds	\$ 30,808,902	\$ 24,650,442	\$ 26,950,794	\$ 29,210,000	\$ 33,349,994
Less: Exempt Debt	(524,664)	(616,272)	(706,492)	(793,936)	(1,047,940)
Total Net Debt Applicable to Limit	<u>\$ 30,284,238</u>	<u>\$ 24,034,170</u>	<u>\$ 26,244,302</u>	<u>\$ 28,416,064</u>	<u>\$ 32,302,054</u>
Legal Debt Margin	\$ 122,747,872	\$ 114,156,051	\$ 92,949,001	\$ 73,081,777	\$ 62,657,428

LEGAL DEBT MARGIN, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Constitutional Debt Limit	\$ 90,674,320	\$ 87,170,767	\$ 82,839,421	\$ 78,881,544	\$ 74,898,600
Total Net Debt Applicable to Limit	(34,563,180)	(37,240,809)	(39,986,229)	(30,882,844)	(33,291,384)
Legal Debt Margin	\$ 56,111,140	\$ 49,929,958	\$ 42,853,192	\$ 47,998,700	\$ 41,607,216
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	 38.12%	 42.72%	 48.27%	 39.15%	 44.45%

Legal Debt Margin Calculation

Assessed Value	<u>\$ 453,371,598</u>	<u>\$ 435,853,834</u>	<u>\$ 414,197,104</u>	<u>\$ 394,407,722</u>	<u>\$ 374,493,002</u>
Debt Limit (20% of Total Assessed Value)	<u>\$ 90,674,320</u>	<u>\$ 87,170,767</u>	<u>\$ 82,839,421</u>	<u>\$ 78,881,544</u>	<u>\$ 74,898,600</u>
Debt Applicable to Limit:					
General Obligation Bonds	\$ 35,874,840	\$ 38,895,305	\$ 41,972,457	\$ 33,270,204	\$ 36,038,064
Less: Exempt Debt	(1,311,660)	(1,654,496)	(1,986,228)	(2,387,360)	(2,746,680)
Total Net Debt Applicable to Limit	<u>\$ 34,563,180</u>	<u>\$ 37,240,809</u>	<u>\$ 39,986,229</u>	<u>\$ 30,882,844</u>	<u>\$ 33,291,384</u>
Legal Debt Margin	\$ 56,111,140	\$ 49,929,958	\$ 42,853,192	\$ 47,998,700	\$ 41,607,216

OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business Activities		Total Primary Government Debt	Total Debt as a Percentage of Personal Income ⁽¹⁾	Total Debt Per Capita ⁽¹⁾
	General Obligation Debt	Limited Obligation Debt	Net Premiums/ (Discounts)	Note Payables	Intangible Right-to-Use Lease Liability	Note Payables				
2024	\$ 30,808,902	\$ -	\$ 1,783,997	\$ 431,043	\$ 303,480	\$ 456,003	\$ 33,783,425	*	*	
2023	24,650,442	-	1,701,602	711,717	399,253	800,417	28,263,431	1.53%	932	
2022	26,950,794	-	1,850,771	1,047,606	36,919	1,161,792	31,047,882	1.84%	1,046	
2021	29,210,000	-	1,999,940	634,438	-	1,337,655	33,182,033	2.06%	1,153	
2020	32,516,000	833,994	1,198,965	1,749,716	-	1,017,126	37,315,801	2.65%	1,359	
2019	34,242,000	1,632,840	1,284,789	2,352,027	-	310,165	39,821,821	3.07%	1,482	
2018	36,620,000	2,275,305	362,210	2,329,500	-	492,456	42,079,471	3.38%	1,588	
2017	39,085,000	2,887,457	400,835	1,523,042	-	463,839	44,360,173	3.76%	1,709	
2016	29,990,000	3,280,204	438,099	1,460,889	-	270,666	35,439,858	3.11%	1,368	
2015	32,215,000	3,823,064	(308,284)	581,574	-	415,879	36,727,233	3.47%	1,475	

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

* Data not available at time of publication

⁽¹⁾ See the Schedule of Demographic and Economic Statistics for personal income and population data

NET BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Net Debt ⁽¹⁾	Net Debt as a Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Net Debt Per Capita ⁽³⁾
2024	\$ 32,052,323	3.74%	*
2023	25,856,845	3.38%	853
2022	28,294,475	4.28%	954
2021	30,737,857	5.45%	1,068
2020	32,688,453	6.20%	1,190
2019	35,304,231	7.00%	1,314
2018	39,257,515	9.01%	1,461
2017	42,373,292	10.23%	1,599
2016	33,708,303	8.55%	1,298
2015	35,729,780	9.54%	1,379

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

(1) - Net debt included a reduction in the amount of \$540,576 for resources that have been restricted for the repayment of debt. Notes payable and leases are also excluded.

(2) - See the Schedule of Net Assessed Value of Taxable Property for property value data.

(3) - Population data can be found in the Schedule of Demographic and Economic Statistics

* Data not available at time of publication

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Daphne Direct Debt			
Net Direct Debt	\$ 33,327,422	100.00%	\$ 33,327,422
Subtotal:	\$ 33,327,422		\$ 33,327,422
Overlapping Debt			
Utilities Board of the City of Daphne ⁽¹⁾	12,395,990	100.00%	12,395,990
Baldwin County General Bonded Debt & Warrants	72,380,000	7.73% ⁽²⁾	5,591,917
Subtotal:	\$ 84,775,990		\$ 17,987,907
Total Direct & Overlapping Debt			<u>\$ 51,315,329</u>

Source: Baldwin County Revenue Commissioner

(1) - The Utilities Board of the City of Daphne is a subordinate entity.

(2) - The percentage of net assessed value of property in the City of Daphne (\$681,977,400) to net assessed value of property in Baldwin County (\$8,827,298,660) on 10/1/2023.

\$8,827,298,660 Baldwin
 \$681,977,400 Daphne
 7.73% Daphne Percentage

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capital Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2024	*	*	*	2.8%
2023	30,321	\$ 1,848,641,049	60,969	2.2%
2022	29,670	1,683,683,490	56,747	2.4%
2021	28,777	1,607,627,105	55,865	3.1%
2020	27,462	1,406,878,260	51,230	3.2%
2019	26,869	1,296,966,630	48,270	2.1%
2018	26,506	1,243,263,930	46,905	3.5%
2017	25,960	1,178,506,120	45,397	3.0%
2016	25,913	1,141,312,172	44,044	5.1%
2015	24,896	1,057,806,144	42,489	5.2%

⁽¹⁾ U.S. Census Bureau

⁽²⁾ "Population" multiplied by "Per Capital Personal Income"

⁽³⁾ U.S. Department of Commerce, Bureau of Economic Analysis (data reported for Daphne-Fairhope-Foley MSA)

⁽⁴⁾ U.S. Bureau of Labor Statistics

* Data not available at time of publication

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

EMPLOYER	FY 2024 % of			FY 2015% of		
	FY 2024 # of Employees	Total Employees	FY 2024 RANK	FY 2015 # of Employees	Total Employees	FY 2014 RANK
Baldwin County Board of Education	652	4.75%	1			
City of Daphne	392	2.86%	2	292	0.35%	2
Wal-Mart Super Center	255	1.86%	3	471	0.57%	1
Tameron Honda	250	1.82%	4			
Eastern Shore Toyota / Hyundai	247	1.80%	5	189	0.23%	4
Lowe's	165	1.20%	6	174	0.21%	5
Thomas Medical Center/ER	159	1.16%	7			
Publix	150	1.09%	8(tie)			
Sam's Club	150	1.09%	8(tie)	150	0.18%	6(tie)
Bayside Academy	120	0.87%	10	105	0.13%	9
Eastern Shore Rehab				250	0.30%	3
Chris Myers				150	0.18%	6(tie)
Mercy Medical				150	0.18%	6(tie)
The Brennity				101	0.12%	10

Source: Eastern Shore Chamber of Commerce
- Data was only available for the top 10 employers each year

CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	FISCAL YEAR				
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
General Government:					
Legislative	2	2	2	2	2
Executive and Marketing	6	6	7	6	6
Information Technology	4	3	3	3	3
Human Resources	6	5	5	4	5
Finance	7	7	7	7	7
Revenue	3	3	3	3	3
Planning	5	5	5	4.5	4.5
Municipal Court	4	4	4	4	4
Building Maintenance & Janitorial	10	9	9	10	9
Total General Government	47	44	45	43.5	43.5
Public Safety:					
Police Department	111	108	107	103	101
Fire Department	71	69	68	68	59
Building Inspection	6	6	8	7.5	6.5
Code Enforcement	2	2	2	2	2
Total Public Safety	190	185	185	180.5	168.5
Public Works:					
Public Works Administration	6	6	7	7	7
Streets	17	17	17	14	14
City Engineering and MS4 Compliance	5	5	0	0	0
Grounds	19	19	18	15	15
Museum	1	1	1	1	1
Mowing	13	12	11	9	9
Mechanical	9	9	8	8	8
Solid Waste	17	17	17	15	17
Total Public Works	87	86	79	69	71
Culture and Recreation:					
Parks	29	27	26	21	14
Recreation	4	4	4	4	4
S.A.I.L. Site	2	2	2	2	2
Library	22	21	21	19	19
Animal Services	4	0	0	0	0
Civic Center	7	7	7	7	7
Total Library & Recreation	68	61	60	53	46
Total Employees	392	376	369	346	329

CITY GOVERNMENT EMPLOYEES BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

Function	FISCAL YEAR				
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
General Government:					
Legislative	2	2	2	2	2
Executive and Marketing	6	5	4	3	3
Information Technology	3	3	3	2	2
Human Resources	5	5	5	5	4
Finance	7	7	7	7	7
Revenue	3	3	3	3	3
Planning	4	4	4	4	4
Municipal Court	4	4	4	3	3
Building Maintenance & Janitorial	9	8	8	7	7
Total General Government	43	41	40	36	35
Public Safety:					
Police Department	100	100	97	91	91
Fire Department	59	58	57	55	54
Building Inspection	6.5	6	6	6	5
Code Enforcement	2	2	2	2	2
Total Public Safety	167.5	166	162	154	152
Public Works:					
Public Works Administration	7	5	5	5	5
Streets	14	13	13	13	13
City Engineering and MS4 Compliance	0	0	0	0	0
Grounds	14	14	14	14	14
Museum	1	0	0	0	0
Mowing	9	9	9	9	8
Mechanical	8	8	8	8	8
Solid Waste	17	18	17	17	17
Total Public Works	70	67	66	66	65
Culture and Recreation:					
Parks	11	9	6	6	6
Recreation	4	6	6	6	8
S.A.I.L. Site	2	2	2	2	2
Library	18	17	17	17	17
	0	0	0	0	0
Civic Center	7	7	7	7	7
Total Library & Recreation	42	41	38	38	40
Total Employees	323	315	306	294	292

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Municipal Court				
Cases Filed:				
Traffic	3,460	3,324	2,909	3,305
Non- Traffic	562	564	486	408
Parking	-	-	-	-
Total Cases Filed:	4,022	3,888	3,395	3,713
Cases Disposed of:				
Traffic	3,464	3,197	3,097	3,044
Non- Traffic	575	572	535	603
Parking	-	-	-	-
Total Cases Disposed of:	4,039	3,769	3,632	3,647
Cases Appealed:				
Traffic	6	5	10	26
Non- Traffic	13	10	18	20
Parking	-	-	-	-
Total Appeals:	19	15	28	46
Cases by Disposition Type:				
Guilty	2,093	1,850	3,368	1,660
Not Guilty	8	3	22	7
Nol pros / Dismissal	1,840	1,779	1,707	1,766
Continued	2,474	1,921	*N/A	*N/A
Total Cases:	6,415	5,553	5,097	3,433

*N/A – The Municipal Court upgraded reporting software during the fiscal year 2017 and the information is no longer available and/or being reported. The Municipal Court converted back to the original software in 2023.

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
2,339	3,729	3,236	3,366	3,808	4,269
390	514	327	416	462	458
-	-	-	-	-	1
2,729	4,243	3,563	3,782	4,270	4,728
2,998	3,590	2,997	3,527	3,958	4,259
417	556	457	427	439	458
-	-	-	-	-	-
3,415	4,146	3,454	3,954	4,397	4,717
23	31	12	39	45	69
24	19	23	43	52	53
-	-	-	-	-	-
47	50	35	82	97	122
1,500	2,230	3,309	3,215	2,589	2,814
5	10	76	48	7	9
1,801	1,818	1,431	1,489	1,643	1,711
*N/A	*N/A	*N/A	*N/A	6,303	4,912
3,306	4,058	4,816	4,752	10,542	9,446

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Municipal Court (continued)				
Local Receipts:				
Fines	\$ 222,483	\$ 228,860	\$ 277,354	\$ 243,459
Corrections	96,117	88,437	78,306	75,327
Municipal ETC	6,435	5,957	5,184	7,013
Bonds Forfeited	41,439	42,614	54,470	20,858
Other Local	145,346	129,834	114,548	97,991
Total Local Receipts:	\$ 511,820	\$ 495,702	\$ 529,862	\$ 444,648
State Receipts:				
Fair Trial Tax	\$ 51,003	\$ 46,689	\$ 41,748	\$ 40,058
Peace Officers Annuity and Training Fund	16,725	15,306	18,637	4,361
State Drivers Fund	23,822	21,529	19,019	18,917
Crime Victims Fund	9,474	8,868	8,183	6,763
State General Fund	66,941	61,291	54,583	52,721
State General DUI	8,885	6,191	7,226	9,930
AHSCI Trust Fund	*N/A	*N/A	11,900	11,065
Chemical Forensic	5,532	8,631	8,680	10,016
DNA Database	42,027	37,956	33,341	31,074
Criminal History	16,540	17,368	15,808	13,474
Traffic Safety Trust Fund	*N/A	*N/A	5,352	4,950
Impaired Driver	3,703	6,132	4,519	8,839
Forensic Trust	3,429	1,500	99	*N/A
Drivers License Fee	18,166	14,472	1,100	*N/A
Advance Tech Data	9,588	8,735	8,676	8,586
Drug Docket Fee	1,880	1,328	120	*N/A
Other State	236,779	208,910	177,288	155,344
Total State Receipts:	\$ 514,494	\$ 464,906	\$ 416,279	\$ 376,098
Other Receipts:				
Restitution	\$ 14,666	\$ 11,730	\$ 9,663	\$ 20,551
Cash Bonds	387,756	386,233	370,693	141,385
Total Other Receipts:	\$ 402,422	\$ 397,963	\$ 380,356	\$ 161,936

*N/A – The Municipal Court upgraded reporting software during the fiscal year 2017 and the information is no longer available and/or being reported. The Municipal Court converted back to the original software in 2023.

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
\$ 263,008	\$ 264,749	\$ 266,468	\$ 251,085	\$ 260,762	\$ 246,491
65,376	82,578	37,762	79,781	93,536	96,646
4,305	5,493	4,963	5,185	6,240	6,447
24,967	15,763	14,000	2,193	30,148	29,591
89,472	104,134	137,258	109,911	123,575	122,275
\$ 447,128	\$ 472,717	\$ 460,451	\$ 448,155	\$ 514,261	\$ 501,450
\$ 24,879	\$ 44,145	\$ 39,871	\$ 42,146	\$ 50,084	\$ 52,161
5,324	5,695	10,919	15,394	16,131	16,745
16,255	21,447	19,405	20,688	24,448	25,610
6,568	7,396	6,686	6,785	8,288	8,483
45,340	57,710	51,989	54,865	65,811	68,016
7,162	5,830	4,720	7,617	9,214	9,314
6,809	3,012	1,590	1,195	*N/A	*N/A
9,997	13,139	8,596	9,301	9,061	6,068
26,855	31,504	28,931	30,413	36,798	37,740
10,941	9,316	9,195	8,272	10,645	10,593
6,129	3,286	3,001	3,762	*N/A	*N/A
-	7,574	2,404	5,011	5,263	5,719
*N/A	*N/A	*N/A	2,307	2,623	2,310
*N/A	*N/A	*N/A	*N/A	13,774	12,154
7,938	9,480	8,016	7,978	9,356	9,688
*N/A	*N/A	*N/A	*N/A	1,117	797
222,773	175,641	158,844	173,011	195,103	197,132
\$ 396,970	\$ 395,175	\$ 354,167	\$ 388,745	\$ 457,716	\$ 462,530
\$ 11,246	\$ 8,621	\$ 10,307	\$ 6,810	\$ 9,659	\$ 9,452
\$ 76,521	\$ 230,868	\$ 209,278	\$ 178,022	\$ 193,220	\$ 168,056
\$ 87,767	\$ 239,489	\$ 219,585	\$ 184,832	\$ 202,879	\$ 177,508

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Public Safety				
Police Department:				
Patrol Division:				
Complaints	27,935	27,267	25,180	14,383
Accidents - Private Property	-	287	150	178
Accidents - Roadway	1,058	1,205	991	1,074
Accidents - Traffic Homicides	3	5	1	3
Arrests - Controlled Substance	69	78	31	55
Arrests - Drug Paraphernalia	69	88	78	54
Arrests - Felony Marijuana	12	7	-	4
Arrests - Misdemenor Marijuana	79	94	77	77
Arrests - Alias Warrant	1,115	1,178	443	150
Arrests - D.U.I.	180	221	76	211
Arrests - Felony	149	183	133	73
Arrests - Misdemeanor	1,242	1,348	1,288	719
Assists - Motorist / Citizens	1,067	2,851	3,037	2,303
Citations	3,405	3,208	2,863	3,150
Searches - Vehicles	452	476	-	327
Security Checks	6,867	9,006	16,806	20,316
Warnings	1,823	1,837	2,134	3,061
Drug Report - Routine Patrol & Special Ops:				
Drugs Seized	128	151	78	102
Vehicles Seized	-	-	-	-
Commercial Vehicle Inspections	-	-	-	47
Monies Seized	\$ 5,947	\$ 12,733	\$ 126	\$ 229,000
Detective Division:				
New Cases Received	577	610	587	691
Previous Unsolved Cases	47	125	131	93
Cases Solved	383	469	409	479
Arrests:				
Cases Solved - Felony	148	66	145	94
Cases Solved - Misdemeanor	150	103	682	37
Total Warrants Arrests	298	169	827	131

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
12,747	15,113	15,292	17,287	14,569	14,871
178	190	247	194	212	170
831	1,010	969	883	1,776	862
4	4	2	7	3	2
67	42	50	61	31	25
75	69	69	58	51	44
4	7	8	10	4	7
72	78	62	121	57	42
253	555	578	510	520	438
163	142	146	127	133	138
74	99	90	174	89	70
766	1,000	1,011	1,102	973	844
1,733	1,688	1,721	2,073	1,808	1,856
2,114	3,338	2,978	3,400	3,908	4,368
287	315	233	1,145	1,145	1,145
17,022	15,581	10,904	9,241	11,722	8,266
1,700	2,193	1,255	2,171	2,495	4,540
136	112	12	102	92	6
-	-	7	-	2	-
11	147	294	317	404	483
\$ 372,000	\$ 1,580,000	\$ 3,344,000	\$ 10	\$ -	\$ -
687	879	893	739	804	752
76	60	67	69	95	91
463	609	548	511	554	466
54	101	67	81	97	63
33	80	40	17	27	16
87	181	107	98	124	79

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Detective Division (continued)				
Sex Offenders:				
Contact Verification	17	45	48	70
Total # of Offenders	13	12	14	9
D.A.R.E.:				
Hours Report Writing	364	300	75	48
Police Reports by S.R.O.	49	52	75	48
Arrests by S.R.O.	39	40	47	23
Code Enforcement:				
Warnings	146	166	428	523
Citations	21	17	26	-
Business License Enforcement	423	145	231	83
Jail:				
Arrestees Received & Processed	1,998	2,011	1,817	1,216
Inmate Meals Served	\$ 61,057	\$ 60,035	\$ 34,328	\$ 17,846
Inmate Medical Cost	\$ 16,232	\$ 11,193	\$ 15,892	\$ 8,176
Worker Inmate Hours	-	-	-	-
Animal Control:				
Complaints	590	402	588	434
Follow-Up	171	1,800	5,011	2,488
Citations	9	15	36	18
Warnings	48	230	238	328
Felines Captured	115	137	134	286
Canines Captured	113	109	166	189
Other Captured	1	-	-	-
Returned to Owner	46	44	102	98
Adopted	144	165	208	176
Euthanized/Died in Shelter	12	16	14	34
Transfers	13	21	N/A	N/A

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR						
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	
79	61	47	75	54	35	
8	6	6	8	5	5	
56	70	51	21	41	34	
42	65	43	21	42	32	
20	26	26	10	12	7	
394	550	573	780	548	95	
5	17	10	44	285	25	
51	227	200	204	333	333	
1,405	1,999	2,022	1,967	2,065	2,092	
\$ 35,281	\$ 38,617	\$ 44,878	\$ 18,459	\$ 20,343	\$ 30,082	
\$ 13,386	\$ 17,264	\$ 7,661	\$ 19,304	\$ 25,515	\$ 30,257	
1,190	1,320	754	948	2,130	2,217	
465	560	625	597	641	665	
2,950	323	256	237	313	564	
16	25	25	15	67	43	
311	163	205	198	293	210	
226	175	231	159	170	215	
218	218	192	198	175	224	
22	55	55	80	153	139	
93	105	86	96	88	91	
188	113	124	98	105	137	
47	123	120	167	136	276	
N/A	N/A	N/A	N/A	N/A	N/A	

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Crimes Reported:				
Arson	-	-	-	1
Burglary - Commercial	8	10	4	9
Burglary - Residential	12	19	14	7
Burglary - Vehicle	39	63	64	69
Criminal Mischief	8	45	36	67
Disorderly Conduct	11	34	16	12
Domestic Disturbance	150	139	202	334
False Information to Police	6	10	9	3
Felony Assault	4	1	2	2
Felony Theft	113	139	132	101
Forgery/Fraud	24	45	72	62
Harassment	72	273	140	97
Identity Theft	4	8	1	12
Indecent Exposure	7	1	3	2
Kidnapping	-	-	-	-
Menacing	6	14	9	14
Misdemeanor Assault	18	12	9	10
Misdemeanor Theft	133	135	134	180
Murder/Attempted Murder	1	5	2	-
Other Death Investigations	35	46	-	29
Public Intoxication	50	50	78	37
Public Lewdness	3	1	5	2
Receiving Stolen Property	1	2	6	7
Reckless Endangerment	15	1	7	7
Resisting Arrest	12	13	10	4
Robbery	2	1	-	3
Sex Crime Investigations	16	29	21	7
Suicide	6	4	2	-
Suicide, Attempted	20	15	29	46
Theft of Services	2	4	8	3
Unauthorized Use of Services	-	5	-	3
Weapon Offenses	6	6	16	57

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR						
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	
1	-	1	-	-	-	-
13	7	16	15	17	21	
19	39	52	30	59	48	
85	117	156	162	148	78	
58	70	61	56	53	48	
10	23	19	9	6	4	
355	381	408	198	120	109	
31	20	4	11	15	14	
6	4	5	4	5	4	
111	149	173	136	135	133	
46	87	52	6	-	-	
92	125	96	78	56	63	
20	24	22	5	5	6	
1	3	5	2	2	-	
-	-	1	-	-	-	
11	10	8	8	6	7	
15	18	24	7	11	30	
192	263	203	192	174	217	
1	1	1	-	-	-	
35	22	24	12	3	-	
15	23	21	16	19	10	
1	2	5	1	2	-	
3	11	11	7	7	8	
11	8	7	7	4	15	
1	11	9	8	8	13	
5	4	15	14	7	5	
10	9	14	4	4	8	
-	6	1	-	-	-	
28	27	25	14	-	-	
32	7	6	20	3	-	
9	12	9	4	5	14	
55	9	34	32	12	16	

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Fire Department:				
Suppression:				
Fire / Explosion:				
Structure Fires	47	45	47	45
Vehicle Fires	12	27	17	17
Brush Fires/Trash Fires	17	27	28	21
Fire, Other	2	2	2	3
Medical Assists**	1,011	774	805	652
Motor Vehicle Collisions**	369	362	356	349
Emergency Medical Calls	1,630	1,797	1,560	1,834
Hazardous Conditions	118	161	147	131
Public Service Assistance	399	360	367	351
Unauthorized Burning**	9	9	18	24
Other Rescues **	19	14	10	8
EMS Standby **	20	14	12	9
Animal Rescues**	6	8	3	1
False Calls	416	454	428	469
Fire Alarm Activations**	435	425	345	308
Other Incidents	9	12	11	14
Total Mutual Aid Given **	103	98	107	118
Fire Prevention Awareness & Education:				
Classes Held	92	26	5	-
Persons Attending	2,355	2,071	86	-
Bureau of Fire Prevention:				
Plan Reviews	150	70	52	45
Final / Certificates of Occupancy	21	23	13	13
General / Annual Inspections	1,200	1,202	1,184	869
Business Licenses	86	80	75	126
Consultations	150	60	40	36
All Other / Miscellaneous Activity	175	165	150	142
Miscellaneous Reporting:				
Training Hours	16,382	19,076	20,883	16,859
Property Loss (\$\$)	\$ 1,670,450	\$ 205,550	\$ 384,550	\$ 1,490,750
Personnel & Civilian Injuries by Fire:	2	2	-	2
Advanced Life Support Rescues**	N/A	N/A	N/A	N/A
Number of Patients Treated:	1,820	2,080	1,883	2,126
Child Passenger Safety Seat Inspections & Installs:	87	39	52	56

** Changes in report tracking were made in FY 2020 resulting in both the addition and/or consolidation of categories

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
45	31	41	33	34	39
15	12	17	13	14	26
24	12	30	30	12	21
3	6	12	6	12	13
429	N/A	N/A	N/A	N/A	N/A
294	N/A	N/A	N/A	N/A	N/A
1,673	2,563	2,486	2,230	2,285	2,077
94	57	94	64	45	37
289	238	198	220	198	167
19	N/A	N/A	N/A	N/A	N/A
6	N/A	N/A	N/A	N/A	N/A
9	N/A	N/A	N/A	N/A	N/A
5	N/A	N/A	N/A	N/A	N/A
311	567	541	483	425	451
298	N/A	N/A	N/A	N/A	N/A
17	15	2	2	9	2
64	N/A	N/A	N/A	N/A	N/A
-	253	283	343	293	150
-	5,756	4,698	4,334	3,451	1,165
44	30	49	46	36	20
9	9	16	25	14	15
920	1,028	911	743	711	992
114	428	94	304	275	61
-	258	310	89	77	-
110	117	48	56	52	158
13,537	2,357	4,061	6,350	5,325	4,530
\$ 1,438,676	\$ 943,650	\$ 2,227,000	\$ 431,950	\$ 615,153	\$ 1,980,630
2	-	2	-	-	-
N/A	1,788	2,040	1,830	1,212	1,611
1,975	2,127	2,369	2,151	1,523	2,018
82	157	128	106	211	169

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Building Inspection:				
Permits:				
Building Permits:				
Non-Residential	86	94	110	90
Residential	871	720	1,010	1,180
Electrical Permits:				
Non-Residential	28	30	30	48
Residential	164	144	240	237
Electrical Permits - New Construction:				
Non-Residential	21	33	67	-
Residential	325	236	329	544
Land Disturbance Permits:				
Residential	106	185	302	378
Mechanical Permits:				
Non-Residential	30	26	38	25
Residential	222	291	241	236
Mechanical Permits - New Construction:				
Non-Residential	15	43	40	15
Residential	304	280	433	492
Plumbing Permits:				
Non-Residential	19	10	8	29
Residential	60	61	42	66
Plumbing Permits - New Construction:				
Non-Residential	18	27	62	-
Residential	314	202	470	557
	2,583	2,382	3,422	3,897
Inspections:				
Building Permit	1,833	2,422	3,225	3,938
Electrical Permit	461	584	546	289
Land Disturbance Permit	-	-	-	-
Mechanical Permit Inspections	53	127	68	105
Mechanical - New Construction Permit Inspections	-	-	-	-
Plumbing and Gas Permit Inspections	466	667	989	1,171
	2,813	3,800	4,828	5,503
Environmental Inspections:				
Site Containment - Permitted	1,711	1,961	2,432	3,683
Site Containment - All Other	-	73	12	-
Total # of Environmental Inspections	1,711	2,034	2,444	3,683

*New software was fully implemented in FY 2020, resulting in changes in tracking categories

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
77	103	103	99	84	70
1,041	989	723	640	548	451
29	57	73	52	55	48
111	104	92	171	131	58
22	-	-	-	-	-
525	284	186	223	187	170
348	128	273	26	88	97
23	49	37	58	38	29
142	109	79	60	63	57
18	-	-	-	-	-
497	229	218	212	185	166
25	39	46	40	41	29
40	46	68	31	38	40
15	-	-	-	-	-
598	276	204	209	199	57
3,511	2,413	2,102	1,821	1,657	1,272
3,657	3,325	3,296	3,605	3,444	3,196
168	305	310	422	375	271
-	194	17	16	33	-
54	52	50	43	43	36
-	155	194	186	164	151
917	534	649	529	490	450
4,796	4,565	4,516	4,801	4,549	4,104
1,947	1,109	1,043	1,679	1,702	863
11	309	273	125	404	321
1,958	1,418	1,316	1,804	2,106	1,184

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Public Works:				
Asphalt Street Repairs:				
Asphalt Used (tons)	229	21	47	46
Repairs (# of repairs)	309	151	159	111
Street Sweeping:				
Miles Swept	3,676	2,936	3,044	711
Dredge:				
Materials Removed/Dredged (yards)	-	-	-	42
Storm Drain & Heavy Equipment:				
Drains Cleaned (# of Jobs)	101	103	430	155
Materials Hauled (cubic yards)	78	100	49	127
Solid Waste:				
Waste Removed (tons)	10,877	9,682	10,566	10,292
Recycled (tons)	214	133	77	14
Special Events	7	8	8	7
Trash Division:				
Trash Picked Up (tons)	5,779	8,403	7,887	9,706
Pay Pile Loads	192	140	190	9
Recreation:				
Tournament Events & Participants:				
Adult Softball:				
No. of Events	3	4	4	8
Participants	350	500	500	750
Girls Fast Pitch Softball:				
No. of Events	6	5	10	10
Participants	2,000	1,500	3,850	4,000
Soccer:				
No. of Events	4	6	6	8
Participants	3,500	5,000	5,500	7,000
Baseball				
No. of Events	18	17	16	7
Participants	9,250	8,500	7,000	750
Football				
No. of Events	4	5	4	4
Participants	2,750	3,000	2,500	2,500
Lacrosse:				
No. of Events	6	5	6	3
Participants	675	675	1,000	450

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Recreation (continued):				
League Participants by Sport:				
Youth Soccer	515	515	450	475
Youth Football	167	195	200	123
Youth Cheerleading	125	125	100	50
Fall Men's Open Softball	160	160	140	126
Fall Co-Ed Softball	100	120	100	112
Fall Adult Soccer	-	80	75	70
Dixie Youth Baseball (ages 5-12)	424	450	425	358
Dixie Boys Baseball (ages 13-14)	24	36	40	45
Youth Softball	130	125	135	100
Youth Spring Soccer	300	325	350	300
Spring Adult League Softball	150	150	160	145
Spring Co-Ed Softball	70	80	75	110
Spring Adult Soccer	-	80	115	115
Summer Men's Open Softball	-	-	-	195
Summer Co-Ed Softball	-	-	-	125
Summer Adult Soccer	-	-	100	115
Youth Basketball	315	240	265	193
Fall Basketball	-	-	-	164

Library:

Patrons Visits	129,387	124,324	102,903	88,796
Items Circulated	220,894	289,789	299,846	290,796
Children's Program Attendance	15,721	7,096	5,214	4,762
Teen Program Attendance	3,729	2,288	1,940	1,394
Adult Program Attendance	3,285	1,317	804	203
Computer Users	9,109	9,408	15,920	2,470
Ancestry Database Users *	-	5,168	3,600	1,930
Heritage Quest Database Users	205	295	338	492
E-Books Circulation	31,855	37,141	36,473	26,382
Reference Questions Answered	1,569	1,374	1,690	887
Meeting Rooms Use Hours	6,140	5,803	4,277	714

* This database has been discontinued

Source: Various City Departments

OPERATING INDICATORS BY FUNCTION, CONTINUED
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
700	850	750	825	850	760
125	175	210	210	205	195
60	75	85	65	46	45
120	215	230	240	250	275
100	120	130	150	150	150
-	105	110	80	140	115
403	400	450	475	443	500
40	30	46	50	35	50
110	115	95	85	135	115
300	360	350	410	420	350
130	-	255	175	190	240
120	-	150	180	170	160
120	95	100	90	100	110
150	-	250	240	600	400
130	-	200	190	200	225
-	-	100	90	100	110
193	-	-	180	187	-
-	-	-	190	191	-
83,952	142,272	148,820	201,490	203,607	274,619
328,815	375,398	361,688	331,803	368,275	431,305
3,939	6,497	5,842	10,734	10,333	6,756
273	613	612	975	1,428	1,251
122	431	664	415	256	664
2,660	12,430	14,058	18,832	26,739	31,176
2,863	2,499	3,394	12,030	6,489	7,106
408	1,168	1,160	2,738	1,525	1,957
29,938	30,428	23,274	20,809	20,809	18,215
709	1,594	1,319	1,691	1,512	1,175
6,701	13,237	13,528	20,098	18,247	11,003

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	FISCAL YEAR			
	FY 2024	FY 2023	FY 2022	FY 2021
Public Safety:				
Fire:				
Number of Fire Stations	5	5	5	5
Number of Fire Trucks	10	10	9	9
Number of All Other Vehicles	13	13	12	12
Police:				
Number of Police Stations	2	2	2	2
Number of Police Units	81	77	74	62
Public Works:				
Miles of Streets (maintained by the City)	186.9	184.2	182.2	176.6
Number of Signalized Traffic Intersections ⁽¹⁾	9	9	9	9
Number of Vehicles	45	44	45	37
Number of Sanitation Trucks	18	17	17	16
Culture and Recreation:				
Parks	19	19	19	18
Dog Parks	1	1	1	1
Fitness Center	1	1	1	1
Senior Center	1	1	1	1
Library	1	1	1	1
Number of Vehicles	13	10	10	8

⁽¹⁾ All other traffic lights throughout the City are maintained by the State of Alabama

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR					
FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
4	4	4	4	4	4
8	8	8	8	8	8
12	11	13	14	13	14
2	2	2	2	2	2
60	65	66	61	60	58
164.7	164.7	143.0	139.8	139.8	138.7
9	9	9	9	9	9
36	36	34	38	40	55
14	15	14	17	18	9
18	17	17	17	17	17
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
8	8	7	7	8	9