



Resolution 2026-12

STATE OF ALABAMA
JEFFERSON COUNTY
CITY OF CLAY

A Resolution to Accept FY2024-2025 City Audit

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

WHEREAS, Cork Hill and Company, CPA has completed the FY2024-2025 Annual Audit Report, ending September 30, 2025, at the direction of the Mayor; and

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

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

1. The Recitals above are true, correct and included herein as if fully set forth.
2. The attached FY2024-2025 annual City audit is hereby recognized and approved as presented.
3. The related expense for the subject audit shall be paid as determined by the Mayor.
4. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein.

ADOPTED AND APPROVED, this 10th Day of February 2026

CITY OF CLAY, ALABAMA

ATTEST:

James E. Anderton Mayor
JANE ANDERTON, MAYOR

Toushi Arbitelle
TOUSHI ARBITELLE, CITY CLERK

AYES: 6

ABSENT:

NAYS:

ABSTAIN:

In my capacity as City Clerk of the City of Clay, Alabama, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Clay, Alabama, at a regular meeting held on the 10th day of February 2026

Toushi Arbitelle
City Clerk

CITY OF CLAY, ALABAMA
GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

CITY OF CLAY, ALABAMA
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Cork, Hill & Company, L.L.C.

INDEPENDENT AUDITORS' REPORT

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

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities, each major fund and the remaining fund information of the City of Clay, Alabama as of September 30, 2025 and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Certified Public Accountants
31 Inverness Center Parkway, Suite 400
Birmingham, AL 35242

P. 205.879.3292 F. 205.879.3295

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, on our consideration of the City of Clay, Alabama's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Clay, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.

Cork, Hill & Company, L.L.C.
Birmingham, Alabama
February 10, 2026



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

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

To the City Council
City of Clay, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Clay, Alabama, as of and for the year ended September 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the City of Clay, Alabama's basic financial statements, and have issued our report thereon dated February 10, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Certified Public Accountants
31 Inverness Center Parkway, Suite 400
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clay, Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Birmingham, Alabama
February 10, 2026

CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Clay (the City)'s general purpose financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements and Required Supplemental Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. The City has only governmental type funds.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government	Activities of the City that are not proprietary or fiduciary	None	None
Required financial statements	Statement of Net Position, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances		
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus		
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included		
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year		
		Expenditures when goods or services have been received and payment is due during the year or soon thereafter		

CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Condensed Financial Information

Condensed Statement of Net Position

The City's total net position increased between the years ended September 30, 2024 and September 30, 2025 by \$2,346,692.

The City's net position is composed of three components. The City has investments of \$8,638,870 in capital assets (buildings, vehicles, etc.) net of the debt associated with it. Restricted net position of \$2,800,879 which consists principally of cash restricted for specific uses by law and unrestricted net position of \$8,821,124.

The following presents the City's condensed Statement of Net Position as of September 30, 2025 and 2024, derived from the government-wide Statement of Net Position shown on page 11 of this report.

Condensed Statement of Net Position (as adjusted)

	Governmental Activities		Total Primary Government		Total Change
	2025	2024	2025	2024	Variance
Current and other assets	\$11,874,116	\$10,926,776	\$11,874,116	\$10,926,776	\$ 947,340
Capital assets	11,620,894	11,156,567	11,620,894	11,156,567	464,327
Total assets	<u>\$ 23,495,010</u>	<u>\$ 22,083,343</u>	<u>\$ 23,495,010</u>	<u>\$ 22,083,343</u>	<u>\$1,411,667</u>
Current liabilities	\$ 583,203	\$ 853,795	\$ 583,203	\$ 853,795	\$ (270,592)
Non-current liabilities	2,650,934	3,315,367	2,650,934	3,315,367	(664,433)
Total liabilities	<u>3,234,137</u>	<u>4,169,162</u>	<u>3,234,137</u>	<u>4,169,162</u>	<u>(935,025)</u>
Net Position					
Invested in capital assets, net	8,638,870	8,155,988	8,638,870	8,155,988	482,882
Restricted	2,800,879	2,529,228	2,800,879	2,529,228	271,651
Unrestricted	8,821,124	7,228,965	8,821,124	7,228,965	1,592,159
Total fund balance (deficit)	<u>20,260,873</u>	<u>17,914,181</u>	<u>20,260,873</u>	<u>17,914,181</u>	<u>2,346,692</u>
	<u>\$ 23,495,010</u>	<u>\$ 22,083,343</u>	<u>\$ 23,495,010</u>	<u>\$ 22,083,343</u>	<u>\$1,411,667</u>

CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Condensed Statement of Activities

The following presents the City's condensed Statement of Activities for the fiscal year ended September 30, 2025 and September 30, 2024, as derived from the government-wide Statement of Activities shown on page 12 of this report. The City's total revenues increased by \$30,551. Fifty percent of the City's revenue is from sales tax. The remainder is from charges for licenses, other taxes, services and donations. The City's program expenses increased \$44,776. Total revenues exceeded all City expenses by \$2,346,692.

Condensed Statement of Activities (as adjusted)

	Governmental Activities		Total Primary Government		Total Change
	2025	2024	2025	2024	Variance
Revenues					
Program revenues					
Fines and fees	\$ 1,046	\$ 3,153	\$ 1,046	\$ 3,153	\$ (2,107)
Operating grants and contributions	692,803	702,313	692,803	702,313	(9,510)
Charges for services	37,026	61,727	37,026	61,727	(24,701)
Total program revenues	730,875	767,193	730,875	767,193	(36,318)
General revenues and payments					
Sales and use tax	3,271,720	3,239,294	3,271,720	3,239,294	32,426
Ad valorem	572,887	616,567	572,887	616,567	(43,680)
Licenses and permits	1,084,673	1,078,315	1,084,673	1,078,315	6,358
Intergovernmental	430,053	433,547	430,053	433,547	(3,494)
Other taxes	294,701	293,736	294,701	293,736	965
Interest	208,546	7,449	208,546	7,449	201,097
Miscellaneous	7,930	134,733	7,930	134,733	(126,803)
Total general revenues and payments	5,870,510	5,803,641	5,870,510	5,803,641	66,869
Total revenues	6,601,385	6,570,834	6,601,385	6,570,834	30,551
Program expenditures					
General government	2,493,359	2,127,324	2,493,359	2,127,324	366,035
Public safety	239,129	376,988	239,129	376,988	(137,859)
Parks and recreation	531,502	546,813	531,502	546,813	(15,311)
Streets and public works	567,123	672,265	567,123	672,265	(105,142)
Senior citizens	134,640	135,098	134,640	135,098	(458)
Library	162,921	213,263	162,921	213,263	(50,342)
Interest	126,019	138,166	126,019	138,166	(12,147)
Total program expenditures	4,254,693	4,209,917	4,254,693	4,209,917	44,776
Change in net assets from activities	2,346,692	2,360,917	2,346,692	2,360,917	(14,225)
Beginning net position	17,914,181	15,553,264	17,914,181	15,553,264	2,360,917
Ending net position	<u>\$20,260,873</u>	<u>\$17,914,181</u>	<u>\$20,260,873</u>	<u>\$17,914,181</u>	<u>\$2,346,692</u>

**CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Program Expenses and Revenues for Governmental Activities

The following presents the net costs of governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. General revenues supported the net costs of governmental activities.

**Net Costs of Governmental Activities
for the Fiscal Year Ended September 30, 2025**

City Program	Program Expenditures 2025	Less Program Revenue, Grants and Donations 2025	Net Program Costs		Program Revenues as a Percentage of Program Expenditures	
			2025	2024	2025	2024
General government	\$ 2,493,359	\$ 692,803	\$ 1,800,556	\$ 1,122,792	27.8%	33.0%
Public safety	239,129	1,046	238,083	678,621	0.4%	0.8%
Public works	567,123	-	567,123	705,283	0.0%	0.0%
Parks and recreation	531,502	33,838	497,664	443,228	6.4%	9.3%
Library	162,921	3,188	159,733	208,947	2.0%	5.1%
Senior citizens	134,640	-	134,640	114,533	0.0%	0.0%
Interest	126,019	-	126,019	151,082	0.0%	0.0%
	<u>\$ 4,254,693</u>	<u>\$ 730,875</u>	<u>\$ 3,523,818</u>	<u>\$ 3,424,486</u>	<u>17.2%</u>	<u>18.2%</u>

OVERALL GOVERNMENTAL FUNDS BASIS ANALYSIS

The City's assets exceed its liabilities by \$11,650,817. This represents assets accumulated over the years by having excess revenues.

FUND ANALYSIS

The general fund balance increased \$971,820 during the year due to revenues exceeding expenditures. The capital improvement fund balance increased \$631,290 due to grant revenues and transfers from the general fund and the gas tax funds increased \$263,306 due to a larger amount of road repairs during the previous year and investment income.

Governmental Funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,650,817. Ending fund balance is \$1,866,416 more than the previous year balance.

**CITY OF CLAY, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Asset Activity

At September 30, 2025, the City reported \$11,620,894 in capital assets. Refer to Note 5 of the financial statements for additional information on capital assets.

Long-term Debt Activity

Long-term debt is made up of three general obligation warrants that were used to purchase the current City Hall and for Cosby Lake improvements. The total amount of long-term debt at year end was \$2,684,028. Refer to Note 8 of the financial statements for additional information on long-term debt.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Clay considered many factors in preparing the budget and presenting it to the Mayor and City Council. Projected employment additions would be in the Public Works Department as well as Parks and Recreation. The City continues to contract with the Jefferson County Sheriff's Office for three deputies. That number has proven sufficient for the protection of the Citizens as well as ordinance enforcement issues and traffic control. All invoiced expenses continue to be paid within 14 days of receipt. Employees contribute over \$31,000 to their retirement plan annually, which is matched by the City. Total employee contributions since implementation of this plan are greater than \$350,000.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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. If you have any questions about this report or need additional information, contact:

Jane Anderton, Mayor
2441 Old Springville Road
Clay, AL 35215
(205) 680-1223

Toushi Arbitelle, City Clerk
2441 Old Springville Road
Clay, AL 35215
(205) 680-1223

CITY OF CLAY, ALABAMA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government	
	Governmental	
	Activities	Total
ASSETS		
Current Assets - Unrestricted		
Cash and cash equivalents	\$ 8,591,276	\$ 8,591,276
Receivables	358,453	358,453
Prepays	123,508	123,508
Total Current Assets - Unrestricted	9,073,237	9,073,237
Current Assets - Restricted		
Restricted cash	2,800,879	2,800,879
Total Current Assets - Restricted	2,800,879	2,800,879
Total Current Assets	11,874,116	11,874,116
Capital Assets:		
Non-depreciable	2,123,823	2,123,823
Right-of-use lease asset, net of accumulated amortization	297,024	297,024
Depreciable, net of accumulated depreciation	9,200,047	9,200,047
Total Capital Assets	11,620,894	11,620,894
TOTAL ASSETS	\$ 23,495,010	\$ 23,495,010
LIABILITIES		
Accounts payable and accrued expenses	\$ 252,113	\$ 252,113
Right-of-use lease liability - current	733	733
Current maturities of long-term debt	330,357	330,357
Total Current Liabilities	583,203	583,203
Non-Current Liabilities		
Right-of-use lease liability - noncurrent	297,263	297,263
General obligation bonds	2,353,671	2,353,671
Total Non-Current Liabilities	2,650,934	2,650,934
Total Liabilities	3,234,137	3,234,137
NET POSITION		
Invested in capital assets	8,638,870	8,638,870
Restricted net assets	2,800,879	2,800,879
Unrestricted net assets	8,821,124	8,821,124
	20,260,873	20,260,873
TOTAL LIABILITIES AND NET POSITION	\$ 23,495,010	\$ 23,495,010

See Independent Auditors' Report and Notes to the Financial Statements

**CITY OF CLAY, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Government Activities	Total
Primary Government:						
Government Activities:						
General government	\$ 2,493,359	\$ -	\$ 692,803	\$ -	\$ (1,800,556)	\$ (1,800,556)
Public safety	239,129	1,046	-	-	(238,083)	(238,083)
Public works	567,123	-	-	-	(567,123)	(567,123)
Parks and recreation	531,502	33,838	-	-	(497,664)	(497,664)
Library	162,921	3,188	-	-	(159,733)	(159,733)
Senior citizens	134,640	-	-	-	(134,640)	(134,640)
Interest	126,019	-	-	-	(126,019)	(126,019)
Total governmental activities	\$ 4,254,693	\$ 38,072	\$ 692,803	\$ -	(3,523,818)	(3,523,818)
General Revenues:						
Taxes:						
Sales tax					3,271,720	3,271,720
Ad valorem taxes					572,887	572,887
Other taxes					294,701	294,701
Licenses and permits					1,084,673	1,084,673
Intergovernmental					430,053	430,053
Interest					208,546	208,546
Miscellaneous					7,930	7,930
Total general revenues					5,870,510	5,870,510
Change in net position for current year					2,346,692	2,346,692
Net position, beginning of year					17,914,181	17,914,181
Net position, end of year					\$ 20,260,873	\$ 20,260,873

See Independent Auditors' Report and Notes to the Financial Statements

CITY OF CLAY, ALABAMA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Capital Improvement Fund	Non Major Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,591,276	\$ -	\$ -	\$ 8,591,276
Restricted cash	31,374	1,718,568	1,050,937	2,800,879
Receivables				
Taxes	308,125	-	27,352	335,477
Other	22,976	-	-	22,976
Right-of-use lease asset	297,024	-	-	297,024
Prepaid expenses	123,508	-	-	123,508
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 9,374,283</u>	<u>\$ 1,718,568</u>	<u>\$ 1,078,289</u>	<u>\$ 12,171,140</u>
 Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 221,227	\$ -	\$ 1,100	\$ 222,327
Right-of-use lease liability	297,996	-	-	297,996
Total liabilities	<hr/> 519,223	<hr/> -	<hr/> 1,100	<hr/> 520,323
 Fund balance:				
Non-spendable	123,508	-	-	123,508
Restricted	31,374	1,718,568	1,077,189	2,827,131
Committed	-	-	-	-
Unassigned	8,700,178	-	-	8,700,178
Total fund balance	<hr/> 8,855,060	<hr/> 1,718,568	<hr/> 1,077,189	<hr/> 11,650,817
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 9,374,283</u>	<u>\$ 1,718,568</u>	<u>\$ 1,078,289</u>	<u>\$ 12,171,140</u>

See Independent Auditors' Report and Notes to the Financial Statements

CITY OF CLAY, ALABAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund Balance - Total Governmental Funds	\$ 11,650,817
Amounts reported for governmental activities in the statement of Net Assets are different because:	
Capital Assets used in Governmental Activities are not current financial resources and therefore, are not reported in the Governmental Funds Balance Sheet.	11,323,870
Long-Term Liabilities are not due and payable in the current period and therefore, they are not reported in the Governmental Funds Balance Sheet.	(2,684,028)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(17,712)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	<u>(12,074)</u>
Net Assets of Governmental Activities	<u><u>\$ 20,260,873</u></u>

CITY OF CLAY, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Capital Improvement Fund	Non Major Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,276,499	\$ -	\$ -	\$ 3,276,499
Licenses and permits	1,084,673	-	-	1,084,673
Intergovernmental	905,811	97,128	289,923	1,292,862
Parks and recreation	30,688	-	-	30,688
Library	3,188	-	-	3,188
Senior citizens	10,969	-	-	10,969
Interest	158,181	33,242	17,123	208,546
Other	62,205	631,755	-	693,960
	<u>5,532,214</u>	<u>762,125</u>	<u>307,046</u>	<u>6,601,385</u>
Expenditures				
Current operations:				
General government	2,397,150	-	-	2,397,150
Public safety	77,617	108,333	-	185,950
Streets and sanitation	428,014	-	56,240	484,254
Parks and recreation	180,062	-	-	180,062
Library	124,530	-	-	124,530
Senior citizens	111,844	-	-	111,844
Total current operations	<u>3,319,217</u>	<u>108,333</u>	<u>56,240</u>	<u>3,483,790</u>
Capital outlays	208,990	598,185	-	807,175
Debt service:				
Principal	316,551	-	-	316,551
Interest and fiscal charges	127,453	-	-	127,453
Total expenditures	<u>3,972,211</u>	<u>706,518</u>	<u>56,240</u>	<u>4,734,969</u>
Excess (deficiency) of revenues over (under) expenditures	1,560,003	55,607	250,806	1,866,416
Other financial sources (uses):				
Operating transfers in	-	575,683	12,500	588,183
Operating transfers out	(588,183)	-	-	(588,183)
Total other financing sources (uses)	<u>(588,183)</u>	<u>575,683</u>	<u>12,500</u>	<u>-</u>
Excess / (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	971,820	631,290	263,306	1,866,416
Fund balance, beginning	<u>7,883,240</u>	<u>1,087,278</u>	<u>813,883</u>	<u>9,784,401</u>
Fund balance, ending	<u>\$ 8,855,060</u>	<u>\$ 1,718,568</u>	<u>\$ 1,077,189</u>	<u>\$ 11,650,817</u>

See Independent Auditors' Report and Notes to the Financial Statements

CITY OF CLAY, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	\$ 1,866,416
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of these assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	807,175
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The issuance of debt provides current financial resources to governmental funds while the repayment of debt principal consumes the governmental funds current financial resources. Neither of these transactions has any effect on the net assets in the statement of net position. These transactions are as follows:

Repayment of notes and bond	316,551
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Depreciation expense on capital assets is recorded in the government-wide statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not recorded as an expenditure in governmental funds.	(607,372)
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Accrued compensated absences are recorded in the government-wide statement of activities and changes in net position but do not require the use of current financial resources. Therefore, the change in this liability is not reflected as an expenditure in the governmental funds financial statements.	(37,512)
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Accrued interest expense is recorded in the government-wide statement of activities and changes in net position but do not require the use of current financial resources. Therefore, the change in this liability is not reflected as any expenditure in the governmental funds financial statements.	1,434
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Change in net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 2,346,692</div>
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CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements of the City of Clay, Alabama (the City) are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The City is a municipal corporation governed by an elected Mayor and City Council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to exercise significant influence. Significant influence is based primarily upon operational and financial relationships with the City. There are no component units for the 2025 year.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's governmental funds are classified into three generic fund types for financial statement presentation purposes. The City's governmental funds include the general, special revenue, and capital projects funds.

Basis of Accounting - Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City, the primary government, as a whole.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on their use. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted assets first then unrestricted assets as needed.

Fund Financial Statements

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, taxes and investment earnings are deemed both measurable and available if collected within the current year or within 60 days of year-end.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until received.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

The City's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Fund accounting reports capital outlays as expenditures and does not recognize capital assets and depreciation. Under the government-wide accrual basis of reporting, general capital assets are long-lived assets of the City as a whole. When purchased, assets are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Donated capital assets are recorded at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 40 to 60 years; improvements/infrastructure - 5 to 40 years; equipment - 5 to 20 years.

Long-term Obligations

Long-term debt and other long-term obligations are reported in the governmental activities on the Statement of Net Position in the government-wide financial statements.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position and Fund Balance

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

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

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

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

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. These categories are as follows:

Non-spendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council of the City of Clay. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assigned Fund Balance - includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Council and Mayor have the authority to assign amounts to be used for specific purposes. Assigned amounts also include all remaining amounts (except negative amounts) in governmental funds, other than the General Fund, which are not classified as non-spendable, restricted or committed.

Unassigned Fund Balance - the residual classification for the General Fund and to report negative fund balances in the other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

Budget Requirements, Accounting, and Reporting Requirements for all funds

Annual budgets are adopted for the City's general fund. The budget is based on expected expenditures by line item in total and not by department and by estimated resources by source.

Appropriation control (City Council appropriated budget) is by line item within the general fund. The budget may be amended to transfer amounts among line items. The budget was not amended during the year.

Accumulated Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of accumulated personal leave balances. The liability is based on personal leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. Any personal leave not used by calendar year end is forfeited by the employee.

For the year ended September 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The City recognizes leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

Use of Estimates

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

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS

State of Alabama law requires all financial institutions accepting deposits of public funds to be a member of the state SAFE program. The Security for Alabama Funds Enhancement (SAFE) program is a state-wide collateral pool for all public funds administered through the Alabama Treasurers Office. All of the City's funds are collateralized by FDIC insurance and this collateral pool, therefore the City's deposits are not subject to custodial credit risk.

NOTE 3 - RECEIVABLES

	General Fund	Capital Improvement Fund	Gas Tax Fund	Total Governmental Funds	Entity Wide
Taxes:					
Sales and use tax	\$ 287,098	\$ -	\$ -	\$ 287,098	\$287,098
Intergovernmental					
Property tax	10,224	-		10,224	10,224
Gasoline taxes	3,376	-	27,352	30,728	30,728
Other taxes	7,427	-		7,427	7,427
Franchise fees	22,976	-		22,976	22,976
Total receivables	<u>\$ 331,101</u>	<u>\$ -</u>	<u>\$ 27,352</u>	<u>\$ 358,453</u>	<u>\$358,453</u>

The gas tax fund receivables are restricted for road construction and repair. These receivables are included in the entity-wide receivables.

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no interfund receivables or payables at September 30, 2025.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance			Balance
	Sept. 30, 2024	Additions	Retirements	Sept. 30, 2025
Governmental Activities				
Assets not being depreciated				
Land	\$ 1,978,236	\$ -	\$ -	\$ 1,978,236
Construction in process	32,500	145,587	32,500	145,587
	<u>2,010,736</u>	<u>145,587</u>	<u>32,500</u>	<u>2,123,823</u>
Other capital assets:				
Buildings and land improvements	4,005,279	186,012	-	4,191,291
Equipment	1,095,930	281,112	162,172	1,214,870
Vehicles	495,683	25,270	84,161	436,792
Infrastructure	12,543,624	169,194	-	12,712,818
Right-of-use lease asset	-	299,353	-	299,353
	<u>18,140,516</u>	<u>960,941</u>	<u>246,333</u>	<u>18,855,124</u>
Accumulated depreciation	8,994,685	607,372	246,333	9,355,724
Accumulated amortization	-	2,329	-	2,329
	<u>9,145,831</u>	<u>351,240</u>	<u>-</u>	<u>9,497,071</u>
Net capital assets	<u><u>\$ 11,156,567</u></u>	<u><u>\$ 496,827</u></u>	<u><u>\$ 32,500</u></u>	<u><u>\$ 11,620,894</u></u>

Depreciation was charged to functions as follows:

Governmental activities	
Parks	\$ 345,254
General	100,633
Streets and public works	78,768
Public safety	20,683
Seniors	24,866
Library	37,168
	<u>607,372</u>
Total	<u><u>\$ 607,372</u></u>

NOTE 6 - ACCUMULATED COMPENSATED LEAVE

Employees accrue personal leave time in accordance with the City personnel policy. Such leave is considered fully vested rights of the employees and is recorded as an obligation of the City at year end. The cost of accumulated leave at September 30, 2025 was \$17,712.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 7 - RETIREMENT PLAN

On May 1, 2015, the City established the City of Clay 457(B) Retirement Plan and the City of Clay 401(a) Retirement Plan. These plans are defined contribution retirement plans, the 457(B) plan was set up to accept employee contributions and the 401(a) plan accepts contributions from the City. The plans are administered by PlanTech, LLP and funded through John Hancock. The plans cover all full-time employees. Employees may make contributions to the 457(B) plan which are tax deferred or at their option, ROTH contributions which are not tax deferred. All contributions into the 457(B) go into an account established for the benefit of the person making the contribution. For the year 2025, contributions of each employee are limited to the lesser of \$22,500 or 100% of the participants compensation. Plan distributions are made at the employee's termination or at age 70-1/2, whichever is later. Employee accounts are adjusted daily for plan earnings and are 100% vested when the contribution is made. The City makes matching monthly contributions equal to 7% of the employees' compensation into the 401(a) plan. These contributions vest over a five-year period in equal increments and are available for distribution in the same manner as the 457(B) plan. Contribution rates for both plans are established and may be amended only by the City Council of the City of Clay. Employee contributions for the current year were \$40,322 and employer matching contributions were \$36,459. Any forfeitures under 401(a) plan revert back to the City of Clay general fund.

NOTE 8 - LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2025, was as follows:

	<u>Balance</u> <u>Sept. 30, 2024</u>	<u>Increases</u>	<u>Repayments</u>	<u>Balance</u> <u>Sept. 30, 2025</u>
General Obligation Warrant Series 2006A. Interest rate is 3.67%, matures November 20, 2032	\$ 2,496,667	\$ -	\$ 261,667	\$ 2,235,000
General Obligation Warrant Series 2012A Interest rate is 3.90%, matures March 1, 2029.	503,912	-	54,884	449,028
Total Long-Term Debt	3,000,579	\$ -	\$ 316,551	2,684,028
Amounts due within one year	316,551			330,357
Long-term maturities	\$ 2,684,028			\$ 2,353,671

All the above debt is direct placement in nature and contains provisions for immediate payment in the event of default.

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 8 - LONG-TERM DEBT - Continued

Annual requirements to retire general long-term debt as of September 30, 2025, for the next five years and in five-year increments thereafter are shown below.

Years Ended September 30,	Principal	Interest	Total
2026	\$ 330,357	\$ 97,029	\$ 427,386
2027	343,206	84,682	427,888
2028	358,850	86,801	445,651
2029	372,293	63,378	435,671
2030	389,162	44,465	433,627
2031-2034	890,160	46,743	936,903
	<u>\$ 2,684,028</u>	<u>\$ 423,098</u>	<u>\$ 3,107,126</u>

NOTE 9 - RISK MANAGEMENT

The City maintains commercial insurance policies to mitigate the risk of significant losses. Management believes the amount of insurance maintained to be adequate.

NOTE 10 - CONTRACT FOR LAW ENFORCEMENT

The City is under contract with the Jefferson County, Alabama Sheriff's Department to provide police services. During the current year the City paid \$356,083 for these services.

NOTE 11 - LEASES IN THE STATEMENTS OF LESSEES

The City leases a property from the Alabama Department of Youth Services. This lease commenced March 2025 and will expire March 2100. The lease provides for minimum monthly lease payments of \$1,000 for the entirety of the lease. An incremental borrowing rate of 3.785% was used to calculate present value of the remaining portion of this lease for implementation of GASB 87.

Future lease payments are as follows:

2026	\$ 12,000
2027	12,000
2028	12,000
2029	12,000
2030	12,000
2031-2035	60,000
2036-2040	60,000
Thereafter	713,000
	<u>\$ 893,000</u>

CITY OF CLAY, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 11 - LEASES IN THE STATEMENTS OF LESSEES - Continued

Operating Leases:

Future lease payments	\$ 893,000
Less: discounted cash flows of future lease payments in calculating present value	<u>595,976</u>
Present value of future lease payments:	\$ 297,024
Operating lease right-of-use-assets	<u><u>\$ 297,024</u></u>
Operating lease liability - current portion	\$ 733
Operating lease liability - noncurrent portion	<u>297,263</u>
Total operating lease liabilities:	<u><u>\$ 297,996</u></u>

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

	<u>ROU Asset</u>	<u>ROU Liability</u>
2026	\$ 3,991	\$ 733
2027	3,991	762
2028	3,991	791
2029	3,991	822
2030	3,991	853
2031-2035	19,955	4,785
2036-2040	19,955	5,780
Thereafter	<u>237,159</u>	<u>283,470</u>
	<u><u>\$ 297,024</u></u>	<u><u>\$ 297,996</u></u>

NOTE 12 - SUBSEQUENT EVENTS

Management has performed a review of subsequent events through February 10, 2026, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF CLAY, ALABAMA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,276,499	\$ (323,501)
Licenses and permits	1,160,000	1,160,000	1,084,673	(75,327)
Intergovernmental	900,000	900,000	905,811	5,811
Parks and recreation	105,000	105,000	30,688	(74,312)
Charges for services				
Library	20,000	20,000	3,188	(16,812)
Senior citizens	12,500	12,500	10,969	(1,531)
Interest	-	-	158,181	158,181
Other	75,000	75,000	62,205	(12,795)
Total revenues	5,872,500	5,872,500	5,532,214	(340,286)
Expenditures				
Current operations:				
Government administration	2,764,914	2,764,914	2,397,150	367,764
Public safety	499,350	499,350	77,617	421,733
Streets and sanitation	687,549	687,549	428,014	259,535
Parks and recreation	300,536	300,536	180,062	120,474
Library	125,516	125,516	124,530	986
Senior citizens	166,185	166,185	111,844	54,341
	4,544,050	4,544,050	3,319,217	1,224,833
Capital outlays	460,000	460,000	208,990	251,010
Debt service	410,000	410,000	444,004	(34,004)
Total expenditures	5,414,050	5,414,050	3,972,211	1,441,839
Excess (deficiency) of revenues over (under) expenditures	458,450	458,450	1,560,003	1,101,553
Other financing sources (uses):				
Operating transfers out	(590,000)	(590,000)	(588,183)	1,817
	(590,000)	(590,000)	(588,183)	1,817
Excess / (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	<u>\$ (131,550)</u>	<u>\$ (131,550)</u>	971,820	<u>\$ 1,103,370</u>
Fund balance, beginning			7,883,240	
Fund balance, ending			<u>\$ 8,855,060</u>	