

City of Foley, Alabama

Popular Annual

Financial Report

For the year ended September 30, 2021



About this Financial Report

The Foley Financial Services Division is pleased to present the City of Foley's Popular Annual Financial Report (PAFR). The purpose of the PAFR is to present a user friendly summary of the City's financial operations. It is designed to make the City's finances easier to understand and to communicate to citizens where dollars come from and how they are spent.

Information in the PAFR is taken from the City's Annual Comprehensive Financial Report (ACFR) that is prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements. The GAAP basis of presentation in the ACFR includes the City's component units and individual funds, as well as the notes to the financial statements that disclose all financial and non-financial material events. Unlike the ACFR, the PAFR excludes component units in order to focus on the primary government.

The ACFR, PAFR and the City's most recent budget (FY2022) can be found at the web address below. Questions about any of the reports or requests for additional financial information should be addressed to the City of Foley Finance Director, P.O. Box 1750, Foley, Alabama, 36536.

<https://www.cityoffoley.org/YourGovernment/FinancialServicesDivision>

Government Finance Officers Association Awards

Certificate of Achievement of Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (valid for one year only) to the City of Foley, Alabama, for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the eighth consecutive year that the City achieved this prestigious award.

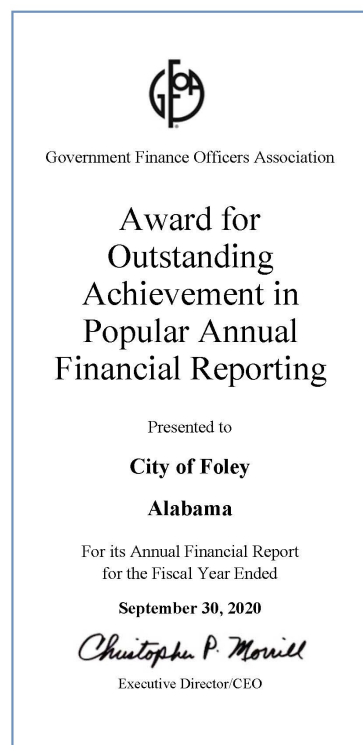
Distinguished Budget Presentation Award

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award (valid for one year only) to the City of Foley, Alabama, for its fiscal year 2022 budget. This was the third year that the city achieved this prestigious award.

Popular Annual Financial Report

The Government Finance Officers Association (GFOA) has given an award for Outstanding Achievement in Popular Financial Report for the fiscal year ended September 30, 2020. This was the second year that the City achieved this prestigious award.

We believe the current report conforms to the Popular Annual Financial Report requirements, and we are submitting it to the GFOA.



Inside this issue:

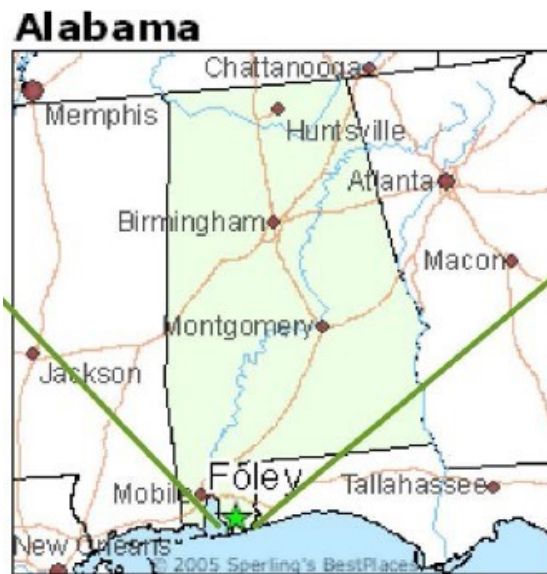
About this report	2
Our Community	3
Local Economy	4
General Financial Information	5
Fund Balance	6
Where the Money Comes From	7
Where the Money Goes	8
Understanding the City's Debt	9
Major Capital Projects	9
Statistics & Operating Indicators	10

Our Community

Our community was named for its founder, Chicago businessman John B. Foley, who in 1901 purchased between 40,000 and 50,000 acres of land in the area and sold it through the Magnolia Land Company. He persuaded the Louisville and Nashville Railroad to run a spur to the area by promising to pay for the crossties needed for the line. By 1905, the town was large enough to warrant a post office, and it incorporated in 1915. Foley was primarily a farming community served by the L & N Railroad via a depot and warehouse for farm products, notably potatoes. The current Depot serves as a museum and was constructed in 1909 to replace the original 1905 depot that was destroyed by fire.

Our city government operates under a strong council-weak mayor form of government. The council is presided over by a president who is chosen by the council members and is also a voting member of the council. The council votes on municipal ordinances to set rules, laws or statutes and resolutions to establish policies or order that a specific action be taken. The mayor is not a voting member of the council, although all ordinances and resolutions are subject to the mayor's veto power, which can then be overridden by a two-thirds vote of the council.

Services provided to residents and businesses include general administration, sales and other local tax collection, police and fire protection, building inspections, licenses and permits, emergency preparedness and response, refuse collection, construction and maintenance of highways, streets and related infrastructure, recreational and leisure activities and cultural enrichment and a general aviation airport. City employees currently service an estimated population of 21,777 over a thirty-four square mile radius.



You can sign up to receive the City's E-newsletter at <https://visitfoley.com/> and stay up to date on all City News!



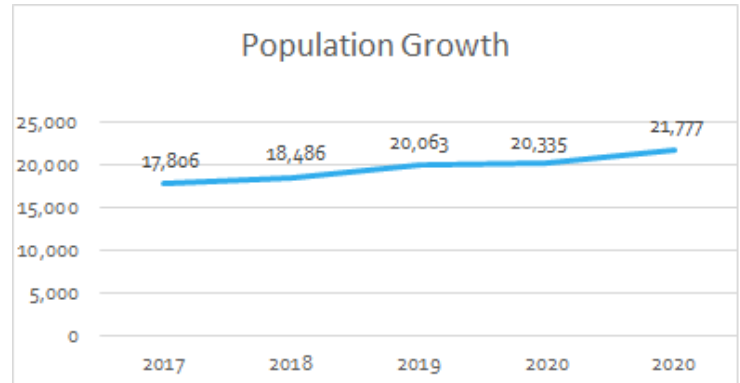
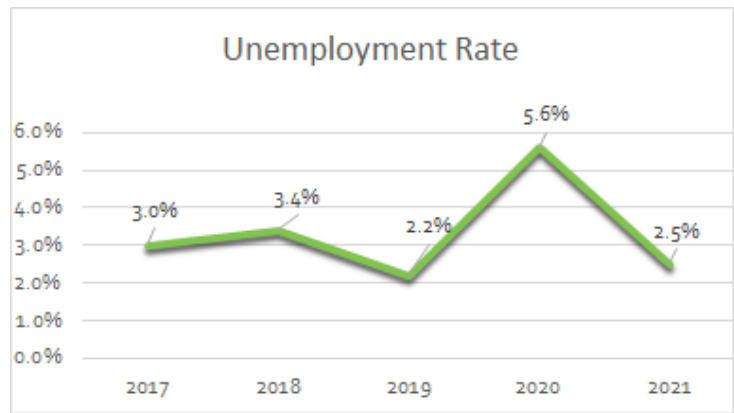
City of Foley 2021 Council

Vera Quaites / Richard Dayton / Wayne Trawick, Council President / Ralph Hellmich, Mayor / Rick Blackwell / Charlie Ebert III, Council Pro Temp

Local Economy

As a City in southern Baldwin County, our close proximity to beautiful white sandy beaches means that tourism plays an important role in our economy. According to the Alabama Department of Tourism's 2020 Economic Impact Report, Baldwin County's estimated 6 million visitors represented 26.5% of all visitors to the State. In addition, travel-related spending totaled \$4.9 billion, while total travel-related direct and indirect earnings of \$1.6 billion represented 34.8% of the statewide total. Baldwin County's total direct and indirect travel related employment of 50,787 represented 30.7% of all Alabama travel related employment.

In addition to the tourism and retail industries, other major employment opportunities for residents include health care and manufacturing jobs.



Foley's population has increased by 3,791 or 22.3% , in the last five years.

The City of Foley was recognized on TravelAwaits.com as "The Adorable Gulf Coast Town That Feels Like a Hallmark Christmas Movie". Visit <https://www.travelawaits.com/2717694/foley-alabama-hallmark-christmas-movie-town/> to read the article by Robin O'Neal Smith.



Did you know:

City Council meetings are held on the first and third Monday of each month. Currently, work sessions and council meetings have been combined because of COVID-19 and the meetings begin at 4:00 pm in the Council Chambers. *Dates and times may be affected by holidays or other events.* <https://cityoffoley.legistar.com/Calendar.aspx>

General Financial Information

Most City services and projects are accounted for in a category referred to as Governmental Funds. Governmental Funds are typically used to account for tax supported governmental activities and are divided into four categories.

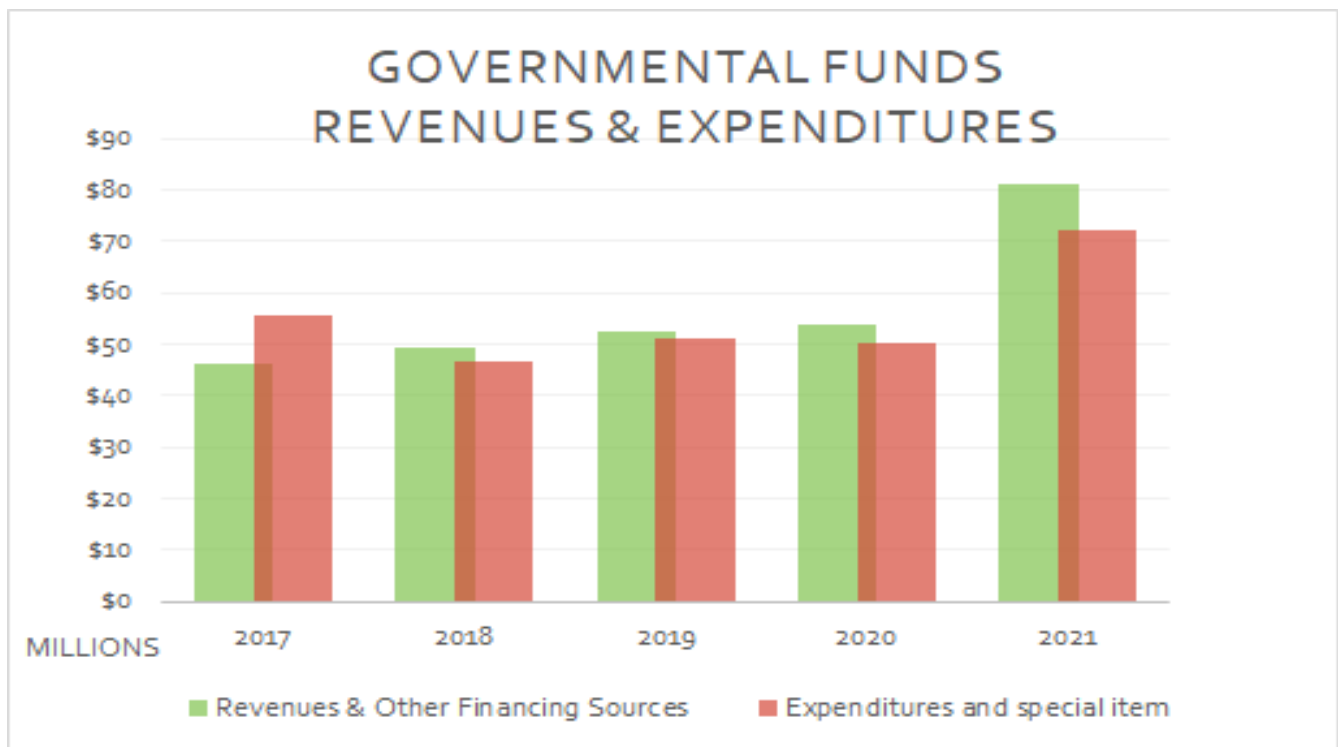
General Fund accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.

Capital Project Funds account for acquiring and/or constructing facilities, roads, drainage systems and other major capital improvements.

Special Revenue Funds account for proceeds of specific revenue sources that are restricted, committed, or assigned for specific purposes.

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

As of September 30, 2021, the City's Governmental Funds reflected a combined fund balance of \$37,287,595, an increase of \$9,149,099 from the prior year. Revenues and expenditures increased in fiscal year 2021 as a result of increased grants, sales & use taxes, Hurricane Sally, and Covid related expenses



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Bid Information:
[www.cityoffoley.org/financial services
division/purchasing/bids/surplus/
bids&solicitations](http://www.cityoffoley.org/financial-services-division/purchasing/bids/surplus/bids&solicitations)

Apply for a job:
[https://cityoffoley.org/
human-resources/](https://cityoffoley.org/human-resources/)

Facebook:
[@cityoffoleymunicipal](#)
[@visitfoley](#)

Fund Balance

A key measure of the City's overall financial health is Fund balance. Fund balance is the difference between assets and liabilities. For fiscal year ended September 30, 2021, the City's fund balance for all Governmental Funds totaled approximately \$37.2 million.

The Balance Sheet presents information about the assets, liabilities and fund balance. Assets are what the City has, owns or amounts owed to the City. Liabilities are what the City owes or any debt they are legally required to pay. A positive fund balance reflects the solvency or health of the City's finances.

Fiscal year 2021 fund balance increased as a result of increased operational grants and reimbursements from FEMA for Hurricane Sally recovery; and increases in sales and use taxes that occurred during the year.

Assets	9/30/2021
Cash & Investments	\$ 26,795,549
Receivables	17,371,971
Inventories & Prepaid Items	278,598
Total Assets	\$ 44,446,118
Liabilities	
Accounts Payable	\$ 6,604,655
Unearned Revenues	553,868
Total Liabilities	\$ 7,158,523
Total Fund Balance	\$ 37,287,595

The City's fund balance is broken into five categories: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable funds represent items such as inventories and prepaid items.

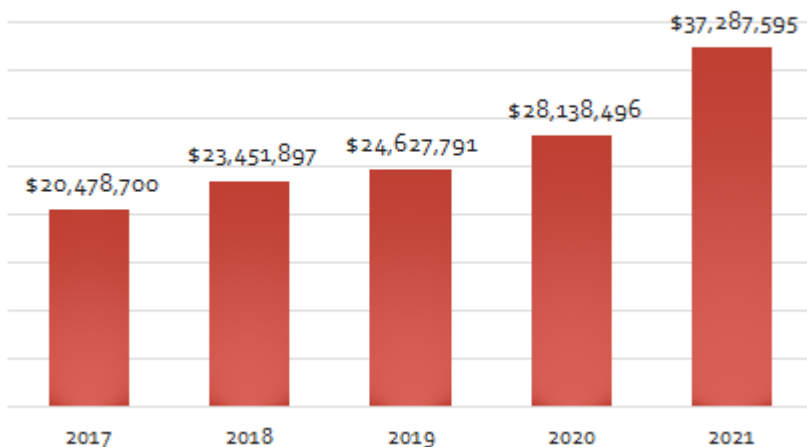
Restricted funds can only be used for specific purposes because of City Code, state or federal law, or conditions by grantors or creditors.

Committed funds can only be used for specific purposes determined by an ordinance of the City Council.

Assigned funds can only be used for purposes constrained by City Council.

Unassigned fund balance represents the residual amount of the balances that do not fall in any of the categories above.

GOVERNMENTAL FUND BALANCES



Did you know???

The City distributed 650 free trees on February 27, 2021, at the Annual 40th Arbor Day event as part of the #FoleyReLeaf campaign to replace the canopy lost during Hurricane Sally in 2020.

The 41st Arbor Day celebration is scheduled on February 26, 2022, at 1:00 PM at Coastal Alabama Farmers & Fisherman's Market. Trees to be distributed are Nuttall Oak, Willow Oak, Live Oak, Sawtooth Oak, Bald Cypress, and Japanese Cedar.

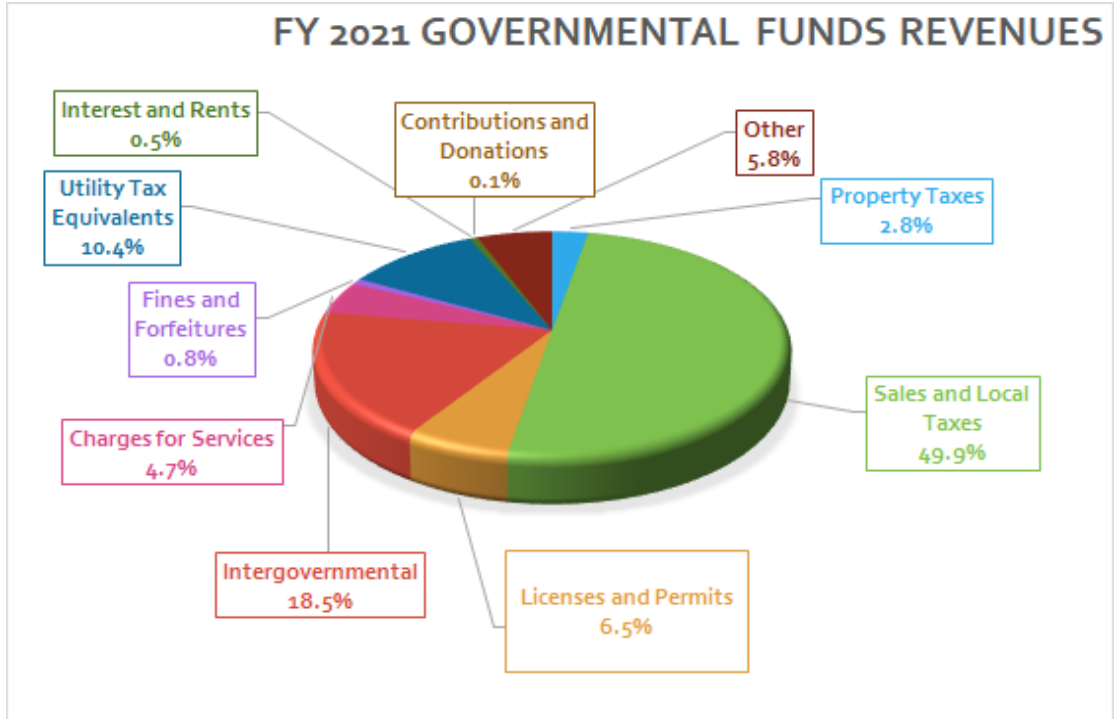


Where the Money Comes From

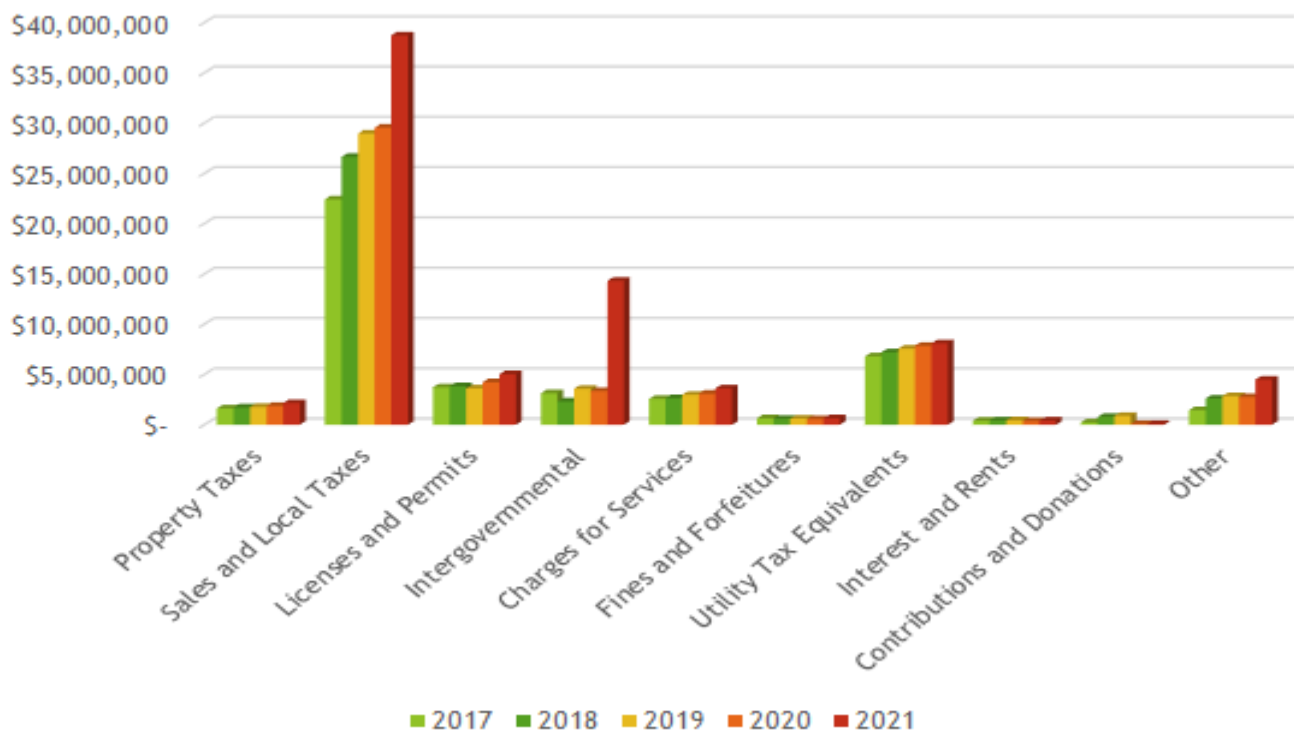
The City uses money from taxes (property, sales, lodging, etc.) and fees (licenses, permits, etc.) to pay for governmental activities. Certain governmental activities (sanitation, recreational activities, etc.) require a fee or charge for the service.

The majority of money comes from sales & local taxes, utility tax equivalents, and licenses & permits. In 2021, the total revenue for Governmental Funds was \$77,552,185 an increase of \$23,860,018 from 2020.

Sales and local taxes are the City's primary sources of unrestricted revenue. Fiscal year 2021 sales and local taxes increased by approximately \$9.1 million or 31%. Intergovernmental revenues increased by approximately \$11 million as a result of FEMA reimbursements and COVID-19 grants.



Five Year - General Funds Revenues



Where the Money Goes

The City of Foley provides a multitude of services for residents, businesses and visitors through its public safety, culture & recreation, sanitation, economic development, and highways & streets functions of government. In 2021, the largest parts of the expenses were used for general government and public safety. General Government expenses increased as a result of Hurricane Sally clean up and costs associated with the COVID-19 pandemic. Debt service expenditures increased as a result of two bond refundings during the year and several bonds and notes paid off during the year. The total expenditures were \$66,187,358, an increase of \$16,064,400 from 2020.

The \$8 million spent for capital outlay included substantial investment for police and street department equipment, completion of airport improvements, the purchase of land and the completion of various road and recreation projects.

Foley's Railroad Museum & Model Train Exhibit was featured in show 804 of Simply Southern TV as a fun way to learn about locomotives for kids and kids at heart. The episode is available on:



<https://simplysoutherntv.net/2022/01/22/show-804>

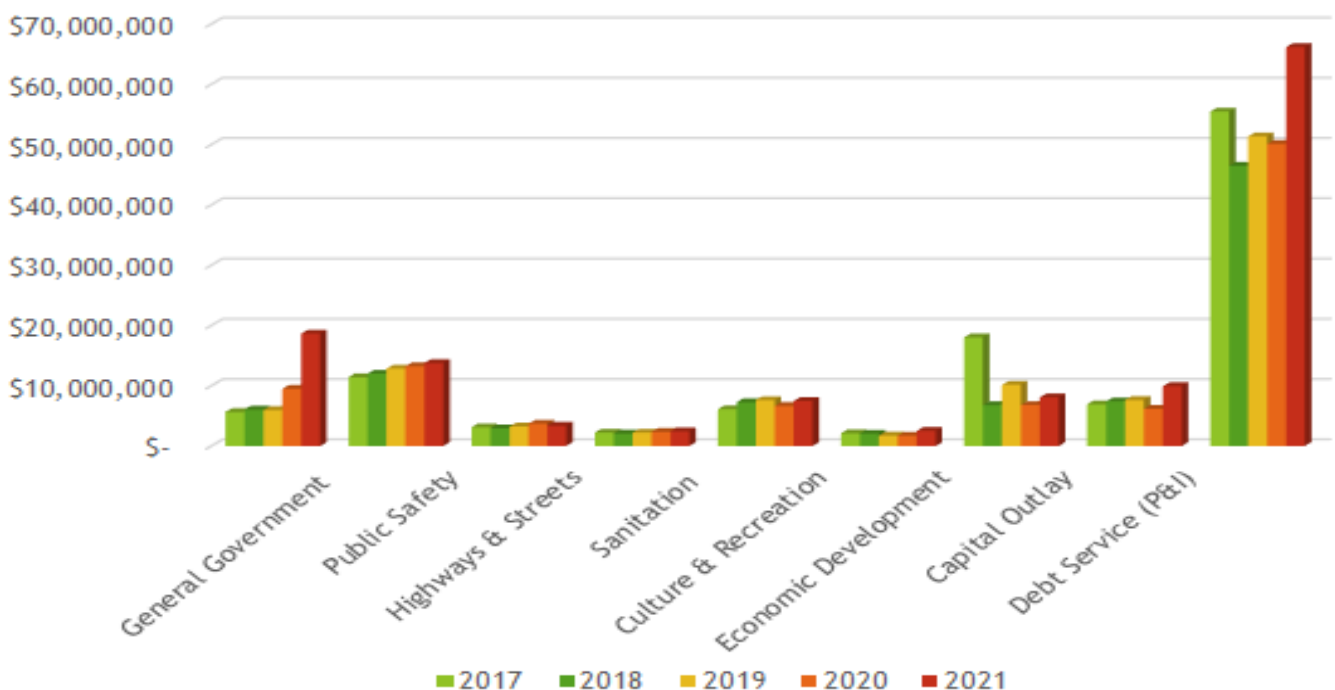
More information on the Foley Railroad Museum & Model Train Exhibit is available at:

<http://foleyrailroadmuseum.com/>

Did you know? The Foley Library offers free wifi and free use of the computer lab. If you have a library card, there are hot spot devices available to check out for 2 weeks for internet access at home. See the Public Library's website for all the services offered. <https://www.foleylibrary.org/>



Five Year - General Funds Expenses



The following is a summary of the City's outstanding debt as of September 30, 2021. There was a total net reduction in debt of \$506,411.

2021 Total Outstanding Debt		
General Obligation Bonds	\$ 40,753,913	69.24%
Installment Purchases	2,203,742	3.74%
Special Revenue Bonds	15,902,407	27.02%
Total Outstanding Debt	\$ 58,860,062	

The City currently maintains a Standard and Poor's rating of AA- and a Moody's Investors rating of Aa3. Rating agencies evaluate the economic well-being of an area from information such as the median income, how dependent the community is on certain employers or industries, the diversity of the tax base, the rate of population growth, stability of revenue, and outstanding debt. It is the goal of management to raise the City's rating by forecasting multiple year revenue and expense, and paying down debt. Higher ratings allow the City to issue debt with lower interest rates, which reduces the total interest paid on bond issues.

Major Capital Projects & Purchases

The City maintains a 10 year capital purchase and capital improvement plan which can be viewed on the City's website in the fiscal year 2022 budget. Below is a list of some of the larger projects and purchases that are currently underway or planned to begin during fiscal year 2022.

Project Name	Capital Purchases
9th Avenue Sidewalks (TAP grant)	Fire Refurbished Rescue Truck
Airport T-Hangar Rebuild (Sally)	Jail Corrections RNS Control Board
County Rd 12 & James Rd Turn Lane	Police Vehicles (12)
First Responder Safe Room (HMPG grant)	Sports Tourism Reel Mower
Highway 59 & County Rd 12 Improvements (ATRIP grant)	Streets Back Hoe
Highway 98 Multipurpose Sports Fields	Streets Bucket Truck
Juniper St Extension	Streets Department Flatbed/Dump (2)
New Library	Various Departments/Funds Vehicles (11)
Mel Roberts Bathroom Building	Sanitation Fund 40 Yard Loader
Public Works Campus (New)	Sanitation Fund Dumpster Hauler
Repave & Widen Foley Beach Express	Sanitation Fund Knuckle Boom Loader
Drainage Improvements (various)	Sanitation Fund Recycle Truck

Moody's	S&P	RATING CATEGORIES
SECURE RANGE:		
Aaa	AAA	PRIME: Superior financial security. Highest safety.
Aa1 Aa2 Aa3	AA+ AA AA-	HIGH GRADE: Excellent financial security. Highly safe.
A1 A2 A3	A+ A A-	UPPER MEDIAN GRADE: Good financial security. More susceptible to economic changes than highly rated companies.
Baa1 Baa2 Baa3	BBB+ BBB BBB-	LOWER MEDIAN GRADE: Adequate financial security. More vulnerable to economic changes than highly rated companies.
VULNERABLE RANGE:		
Ba1 Ba2 Ba3	BB+ BB BB-	NON INVESTMENT GRADE: Speculative. Capacity to meet long-term policies is vulnerable.
B1 B2 B3	B+ B B-	HIGHLY SPECULATIVE: Vulnerable financial security.
Any rating below a "B" rating is extremely vulnerable and possibly in default status with little prospect for recovery and questionable ability to meet obligations.		



Statistics & Operating Indicators

34,653
Calls for
Police
Service

9,886 Tons of
Household Garbage
Taken / 394 Tons
Material Recycled

7
Youth Sports
Programs Offered

2,465
Calls for Fire Emergency Service

2,740
Business
License
Issued

9,666
Park Train
Rides

5,049
Senior Program
Participants

5,291
Building
Permits
Issued



671 Environmental
Permits Issued /
622 Permit
Inspections

920 Tree City
Program—Trees
Planted

149,660
Sports tourism
Visitors to
Foley

Website Hits:
City of Foley—309,772
Visit Foley—170,886

142,176
Library Patron Visits

970,875
Total Items
Circulated

During the year, the City completed the first road constructed by the new in house road construction crew. This road was named Koniar Way in honor of the City's previous Mayor, John Koniar.

Graduation Rate—85 %
School Enrollment—3,692

37
Miles of
Sidewalk
Maintained

Nature Park

8-Explore & Observe Programs
38-Field Trips, Camps & Workshops
23-Events Booked
99-Rentals

2,896 Street
Lights City-
Wide

161 Miles of
Streets
Maintained

