



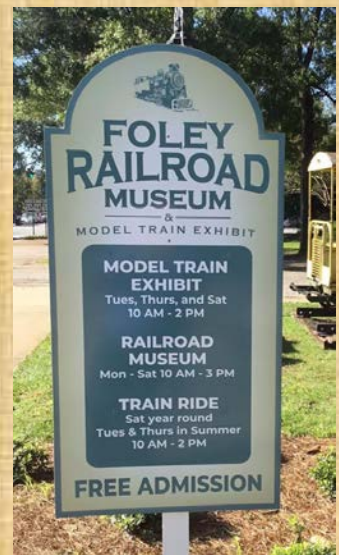
Photo: Model train exhibit.

Located at Foley Train Museum 125 East Laurel Ave, Foley, AL 36535

City of Foley, Alabama

Popular Annual Financial Report

For the year ended September 30, 2023



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The Foley Railroad Museum and Model Train Exhibit is housed in the Louisville and Nashville railroad station built in 1909. The museum contains reminders of the days when Foley was a thriving agricultural center and the railroad played a major role in its posterity.

There is a 60' x 20' "O" gauge model train exhibit, which includes a quarter mile of track, one mile of wiring, 84 freight cars, 50 passenger coaches and a replica of the L&N Hummingbird.

While visiting the museum and model train exhibit, you can also catch a free ride on the Charles Ebert Express II around Heritage Park.

For more information on the Foley Railroad Museum, Model Train Exhibit and the Charles Ebert Express II, please visit <https://foleyrailroadmuseum.com/>



About this 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 and the Sanitation Proprietary Fund.

The ACFR, PAFR and the City's most recent budget (FY2024) 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, Attn: Finance Director, P.O. Box 1750, Foley, Alabama, 36536.

<https://cityoffoley.org/finance/>

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 annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the tenth consecutive year that the City achieved this prestigious award. The City has submitted the fiscal year 2023 ACFR for consideration.

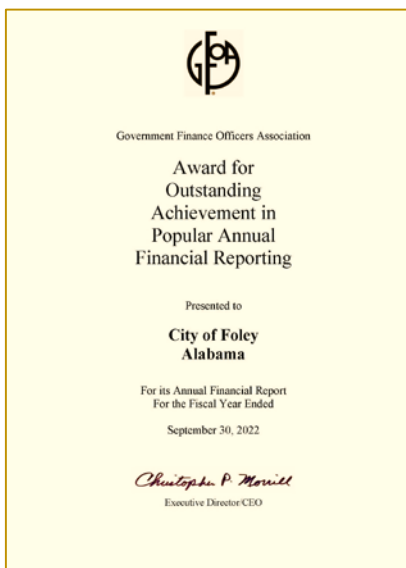
Distinguished Budget Presentation Award

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 2024 budget. This was the fifth 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, 2022. This was the fourth consecutive 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.



The City has received the GFOA Triple Crown for 4 consecutive years.



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 the town was 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 25,971 over a thirty-four square mile radius.



City of Foley 2023 Council

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

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 and 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>

Meetings are open to the public.

Contact Us

407 East Laurel Ave. / PO Box 1750

Foley, AL 36536

(251) 943 - 1545

www.cityoffoley.org

Apply for a job:

<https://cityoffoley.org/human-resources/>

Bid Information:

<https://cityoffoley.org/finance/>

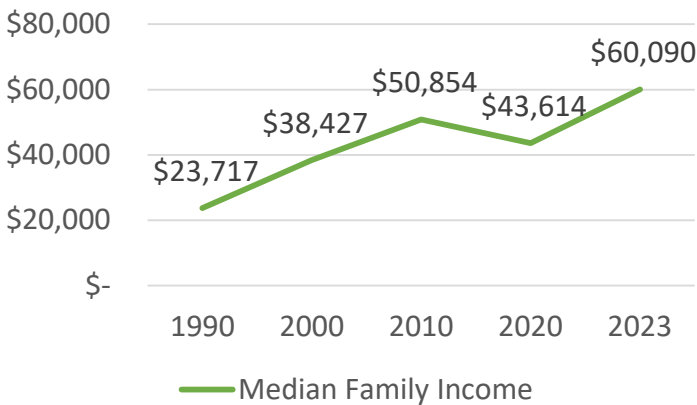
Local Economy

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 2022 Economic Impact Report, Baldwin County's estimated 8.3 million visitors represented 29.1% of all visitors to the State. In addition, travel-related spending totaled \$7.8 billion, while total travel-related direct and indirect earnings of \$2.7 billion represented 36.5% of the statewide total. Baldwin County's total direct and indirect travel related employment of 65,523 represented 27.45% of all Alabama travel related employment.

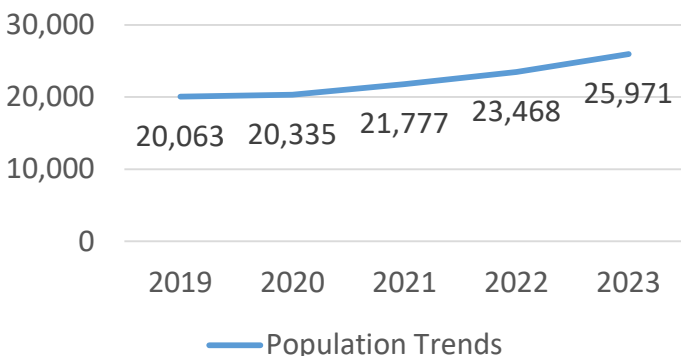


In addition to the tourism and retail industries, other major employment opportunities for residents include health care and manufacturing jobs.

Median Family Income



Population Trends



Foley's population has increased by 9,236 or 15.37% in the last three years.

Direct and Overlapping Sales & Use Tax Rates

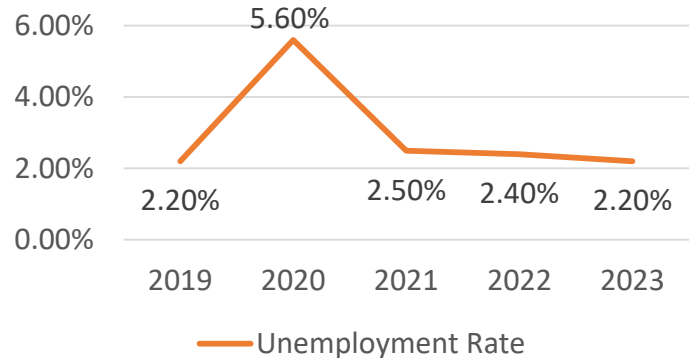
City of Foley	3.0%
Baldwin County *	3.0%
State of Alabama	4.0%
Total	10.0%

* Effective September 2023, the State reduced the tax on groceries by 1%. Another reduction to 2% will come in September 2024, or the first year afterward when the education revenues grow by at least 3.5%.

Population Demographics (as of July 2023)

Male	46.0%
Female	54.0%
Under 5 years old	2.6%
Under 18 years old	15.8%
18 years to 64 years old	49.8%
65 years and over	31.8%
White alone	80.6%
Black or African American alone	7.7%
Asian alone	2.2%
Hispanic or Latino	9.2%

Unemployment Rate



Foley's unemployment rate is consistent with the State of Alabama's unemployment rate and 1.4% lower than the national average.

The Facts!

City Wide Statistics	
Education	
School Enrollment	4,168
Graduation Rate	79%
Geographic Characteristics	
Square Miles	34 miles
Land Area	33.82 square miles
Water Area	0.35 square miles
Elevation	79 feet
Average Rain Fall	54.7 Inches

City Wide Infrastructure	
Street Lights Maintained	3,095
Miles of Streets Maintained	162 miles
Miles of Sidewalks Maintained	37 miles

Several Departments within The City of Foley received recognition from Gulf Coast Media as the Best of Baldwin.



Heritage Park – Best public park
 Graham Creek Nature Preserve – Best Conservation Group
 Foley Police Department - Best Police Department
 Foley Fire Department Best Fire Department

Sara Harkins – Best Event Planner
 Foley Railroad Museum & Model Train Exhibit – Best Museum
 Senior Center - Best Senior Care and Best Senior Living Community

Operating Indicators	
General Fund Departments	
Calls for Police Service	27,759
Fire Emergency Response	2,851
Business License Issued	4,327
Building Permits Issued	3,560
Environmental Permits Issued	673
Environmental Inspections	700
Youth Sports Offered	7
Youth Program Participates	1,555
Senior Center Members	995
Park Train Rides	7,950
Foley Depot Museum Visitors	19,856
Model Train Visitors	20,487
Library Patron Visits	111,235
Total Library Items Circulated	347,238
Tree City Program –trees planted	734
Horticulture Plants grown & planted	32,500
Sports Tourism Events Booked	66
Sports Tourism Event Attendance	56,000
Sports Tourism Visitors to Foley	211,000
Nature Parks Education Programs Booked	60
Nature Parks Education Program Attendance	2,700
Nature Parks Events Booked	65
Nature Parks Event Attendance	37,500
Website Hits:	
City of Foley	315,008
Visit Foley	318,817
Sanitation Fund	
Tons of Residential Garbage Collected	8,200
Number of Residential Cans in Use	9,272
Number of Commercial Dumpsters Accounts	471

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.

Propriety Fund—Sanitation

In 2022, the City created a Proprietary Fund to account for all income and cost for the collection of both residential and commercial sanitation. This type of fund is considered a self-supporting fund, in that the charges billed are enough to cover the costs for the services provided.

This fund recognized an increase in Net Position of \$563,981 primarily due to start up costs that were one time cost in fiscal year 2022. This fund aligns the purchase of large capital items such as garbage and recycle trucks with the projected available cash.

Fiscal year 2023 included \$663 thousand to purchase a new automatic loading garbage truck, a flat bed truck and other items. Fiscal year's 2024 budget includes almost \$1 million in equipment purchases.



Sanitation Fund	9/30/2023
Assets & deferred outflows	
Current assets	\$ 545,628
Capital assets, net	2,477,583
Deferred outflows	416,500
Total assets and deferred outflows	\$ 3,439,711
Liabilities and deferred inflows	
Current liabilities	\$ 780,930
Long-term liabilities	1,524,279
Deferred outflows	1,890
Total liabilities and deferred inflows	\$ 1,526,169
Net position	\$ 1,913,542
Revenues & Expenses	
Charges for services	\$ 3,940,256
Operating expenses	3,376,275
Operating income (loss)	563,981
Beginning Net Position	\$ 1,349,561
Ending Net Position	\$ 1,913,542

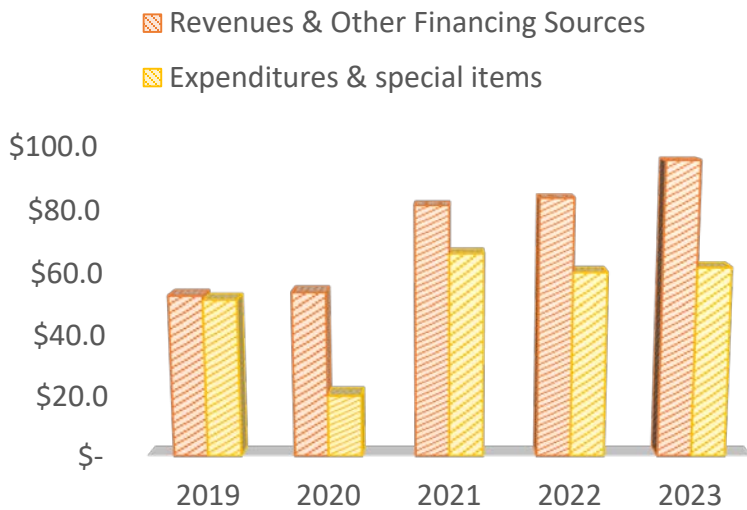
Fund Balance

The Balance Sheet presents information about the assets, liabilities, deferred inflows 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. Deferred inflows are assets that will be recognized in future periods, such as lease receivables that will be received in future years.

A positive fund balance reflects the solvency or health of the City's finances. For fiscal year ended September 30, 2023, the City's fund balance for all Governmental Funds totaled approximately \$94.5 million, an increase of approximately \$33.7 million from the prior year.

There are several reasons for the increase in Fund Balance. Sales and Use tax increased by approximately \$2.5 million as a result of inflation and several business that opened during the year. The City received approximately \$592 thousand for the sale of property and equipment and approximately \$743 thousand in insurance proceeds from repairs related to Hurricane Sally. Lastly, the city recorded nearly \$1.6 million in investment income on cash held at various financial institutions.

GOVERNMENTAL FUNDS REVENUES AND EXPENSES (IN MILLIONS)



Please see the next two pages for more detailed information on revenue and expenses

Governmental Balance Sheet as of September 30, 2023

Assets

Cash & Investments	\$90,679,384
Receivables	7,543,436
Inventories & Prepaid Items	943,555
Total Assets	\$99,166,375

Liabilities

Accounts Payables	\$3,658,753
Unearned Revenues	69,343
Total Liabilities	\$3,728,096

Deferred Inflows	\$937,200
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Total Fund Balance	\$94,501,079
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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.

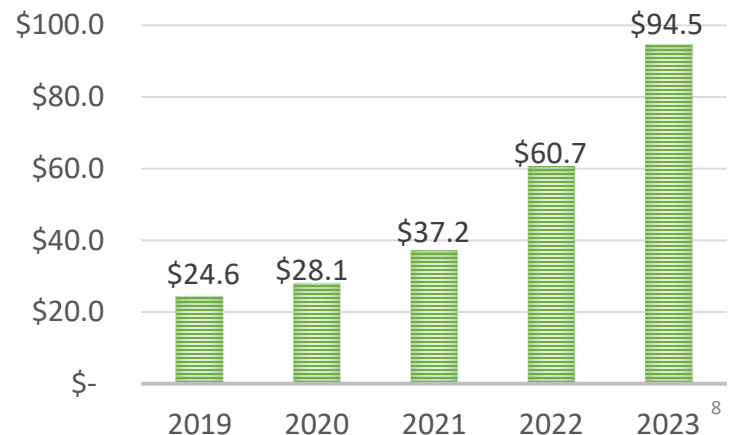
Restricted funds can only be used for specific purposes because of City Code, state or federal law, or conditions by grantors or creditors.

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

GOVERNMENTAL FUND BALANCES (IN MILLIONS)



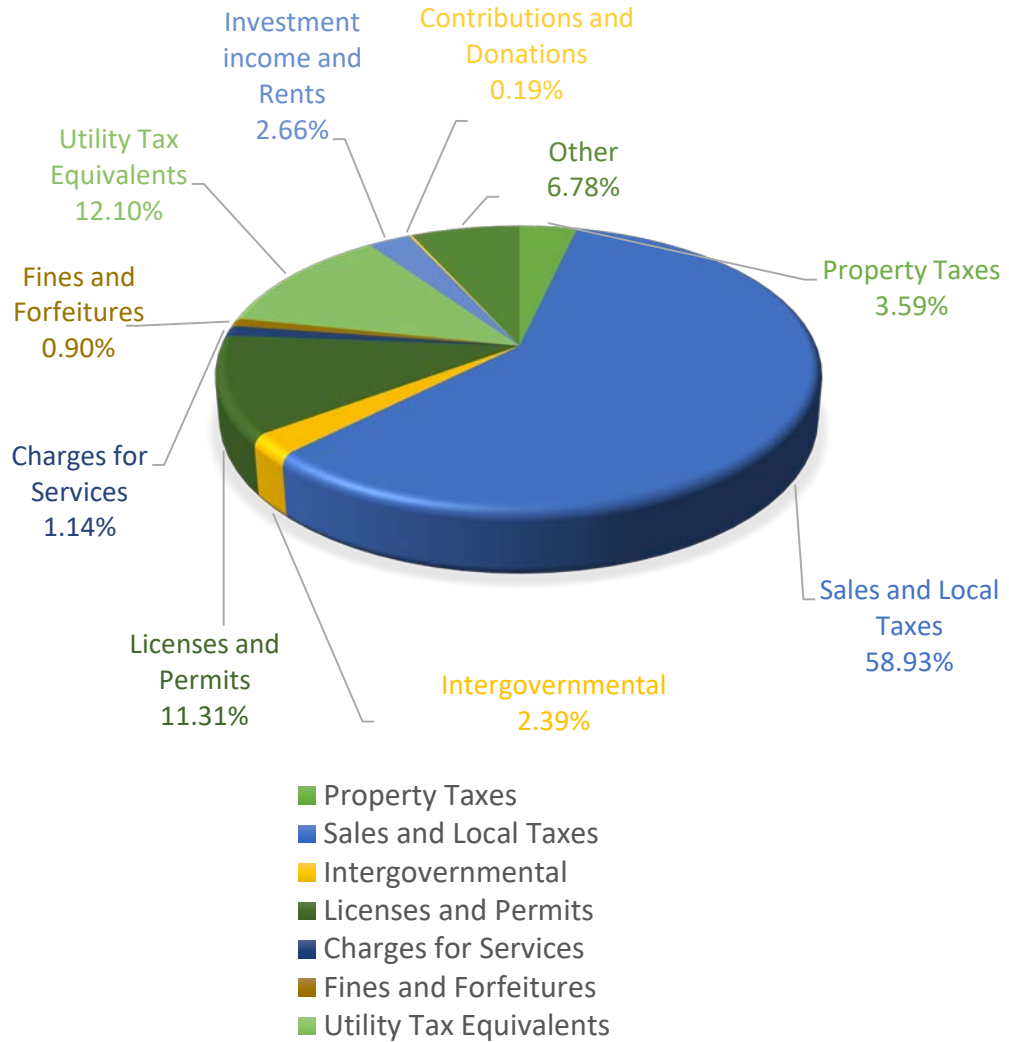
Where the Money Comes From

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

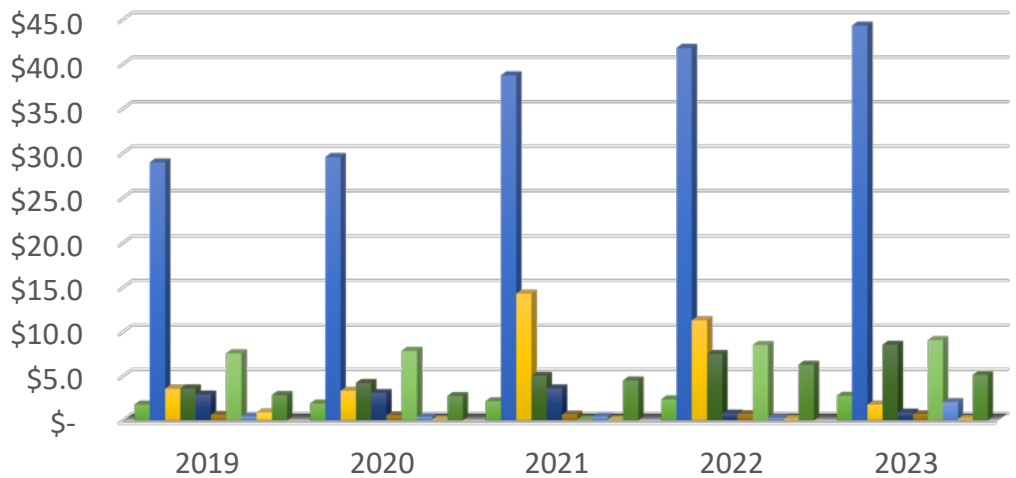
The majority of money comes from sales & local taxes, utility tax equivalents, and licenses & permits. In 2023, the total revenue for Governmental Funds was approximately \$75 million which was a small decrease from 2022. The decrease was related to one time insurance proceeds and reimbursements from FEMA related to Hurricane Sally totaling \$5.6 million.

Sales and local taxes are the City's primary sources of unrestricted revenue. Fiscal year 2023 sales and local taxes increased by approximately \$2.5 million as a result of inflation and new business. License and permits increased by approximately \$2.4 million or 49%. The City received approximately \$1.8 million in grants which funded just over \$800 thousand in capital projects, \$458 thousand in FEMA reimbursements for Hurricane Sally costs, and \$540 thousand in operational grants.

FY 2023 GOVERNMENTAL FUNDS REVENUES (IN MILLIONS)



Five Year – Governmental Funds Revenues (in millions)



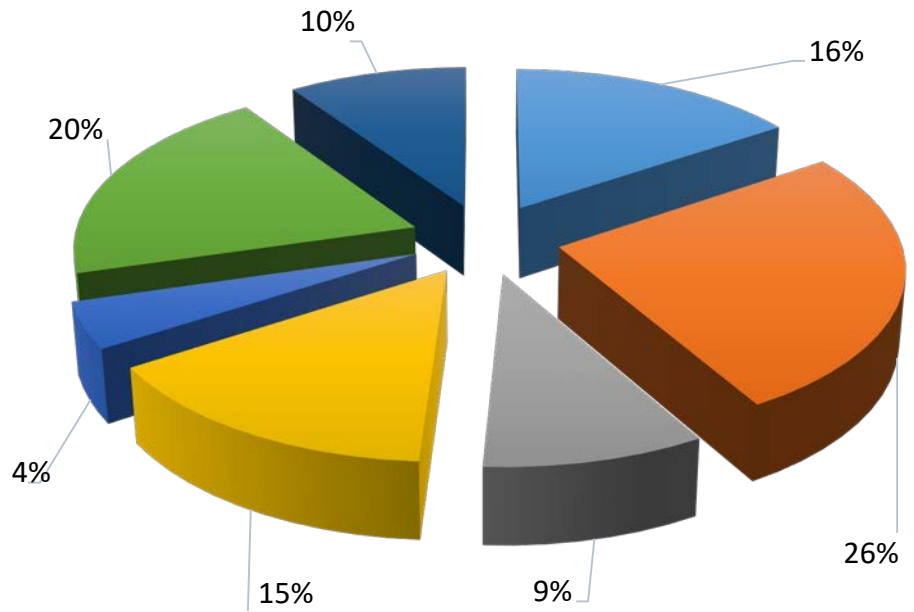
Where the Money Goes

The City of Foley provides a multitude of services for residents, businesses and visitors through its public safety, culture & recreation, economic development, and highways & streets functions of government.

In 2023, the largest parts of the expenses were used for public safety and capital outlay. Debt service expenditures increased as a result of two bonds issued during the year. The total expenditures were \$61.6 million, an increase of nearly \$1.5 million from 2022.

The \$12.2 million spent for capital outlay included approximately \$1.8 million in department equipment, \$2.6 million for the completion of three airport T-Hanger replacements after Hurricane Sally damages, the purchase of multiple pieces of land totaling \$2.7 million and the completion of various road and recreation projects.

Governmental Funds Expenditures (in millions)



Five Year – Governmental Funds Expenses (in millions)

- General Government
- Public Safety
- Highways & Streets
- Culture & Recreation
- Economic Development
- Capital Outlay
- Debt Service Cost
- Sanitation

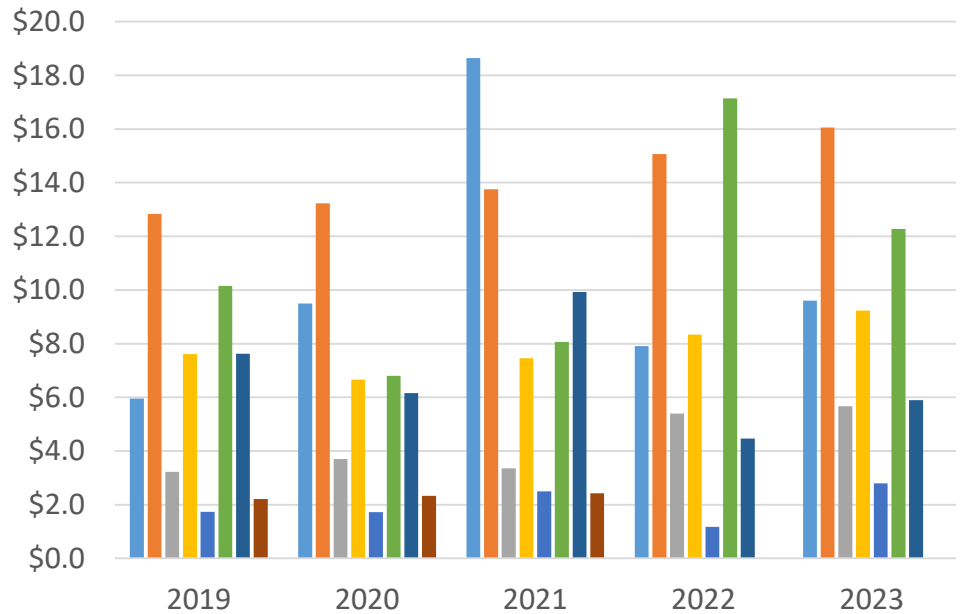


Photo Above-Street Sweeper
Photo Below-Police Dog, Vidar



Understanding the City's Debt & Bond Rating

The following is a summary of the City's outstanding debt as of September 30, 2023. There was a total net reduction in debt of \$2,999,481.

2023 Total Outstanding Debt		
General Obligation Bonds	\$ 53,329,185	74.4%
Installment Purchases	1,960,533	2.7%
Special Revenue Bonds	14,922,925	20.8%
Lease Liabilities	238,944	.3%
Subscription Liabilities	1,195,078	1.7%
Total Outstanding Debt	\$ 71,646,665	100%

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.
<i>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.</i>		



During fiscal year 2023, the City issued \$8 million in Series 2022 General Obligation Warrants and an additional \$10 million in Series 2023 General Obligation Warrants through United Bank. All of these funds are eligible for the USDA State Community Program and will be used for the construction of the new Foley Public Works campus and the New Foley Library.

Foley Sports Tourism Awards

Foley Event Center was awarded 2023 Champions of Economic Impact and Sports Destination Magazine announced Foley Sports Tourism as a winner in Sports Tourism Heroes category.



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. Higher ratings allow the City to issue debt with lower interest rates, which reduces the total interest paid on bond issues.



Mural located in Cat Alley, Downtown Foley

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 2024 budget. Below is a list of some of the larger projects and purchases that are currently underway or planned to begin during fiscal year 2024.

Project Name	Capital Purchases
Airport – New T-Hangars	Maintenance Department Service Truck
CAFFM Commercial Kitchen	Police Vehicles (10)
Armory Renovations	Streets Dump Trucks (2)
First Responder Safe Room (HMPG grant)	Various Departments Golf Carts
Highway 59 & County Rd 12 Improvements (ATRIP grant)	Various Departments/Funds Tractors
Highway 98 Multipurpose Sports Fields	Various Departments/Funds Mowers
Philomene Holmes Improvements	Various Departments/Funds Vehicles
New Library / Community Space	Senior Center Passenger Bus
New City Wide Sidewalks	Horticulture Water Truck
Public Works Campus (new)	Sanitation Fund Knuckle Boom Truck
Repave & Widen Foley Beach Express	Sanitation Fund Automated Garbage Truck
Drainage Improvements (various)	Sanitation Fund 40 Yard Loader (truck)



The City has approximately \$4 million in planned improvements to city-wide recreation facilities, including new playground equipment, new restroom facilities and new pickle ball courts.



The City of Foley received the National World War II Heritage City designation from the National Park Services. Foley is one of eleven communities across the United States to receive this designation.



South Pecan Street now provides additional north to south connectivity in Foley. This road extension allows access from US 98 south to Pride Boulevard.

