

City of Foley, Alabama

Comprehensive Annual Financial Report

For the year ended
September 30, 2020



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THE CITY OF FOLEY, ALABAMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended
September 30, 2020

Prepared By: Finance Division and Administration

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City of Foley, Alabama
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2020

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INTRODUCTORY SECTION

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January 22, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Foley, Alabama (the City), for the fiscal year ended September 30, 2020, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. A comprehensive framework of internal control has been established and is updated and maintained in a manner that offers assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

As required by State law, an annual audit of the City's financial statements is conducted in accordance with established standards. Warren Averett, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2020. The independent auditors' report is located at the beginning of the financial section of this report.

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

Profile of the City

The City of Foley, Alabama, was founded in 1901 and incorporated in 1915 under the Constitution and laws of the State of Alabama. Foley is located in Baldwin County in the southernmost part of the state, just 8 miles north of the Gulf of Mexico. It currently services an estimated population of 25,245, which grew by 25.8% from the prior year, and occupies approximately 33 square miles. The City operates under a strong council-weak mayor form of government. The five-member council is presided over by a president who is chosen by the council members and also is a voting member of the council. All ordinances and resolutions are subject to the veto power of the mayor although the mayor's veto can be overridden by a two-thirds vote of the council.

The City provides a full range of services including general administration, police and fire protection, building inspections, licenses and permits, emergency preparedness and response, refuse collection, construction and maintenance of highways, streets and related infrastructure, recreational and leisure activities and cultural enrichment. The City evaluated various other entities within the vicinity of the City which could possibly be subject to inclusion within its financial statements under criteria established to define the reporting entity and its component units. In the Financial Section, Notes to the Financial Statements, Note A.1. discusses these entities and why they are either included or excluded from the City's financial reporting.

Budgetary Control

The annual budget serves as the City's guide to financial planning and control. On or before September first of each year, the City Administrator submits proposed budgets to the Mayor and City Council and the budgets are legally adopted by resolution prior to October first. Budgetary control is maintained at the departmental level and budgeted dollars may not be exceeded without Council approval in the following categories; personnel, capital equipment, and the sum of all remaining operational expenditures. Departmental capital purchases and new personnel positions included in the budget are subject to further justification and approval by the Mayor and/or Council prior to beginning the requisition or hiring process. With the exception of capital project appropriations that generally span multiple years, budgets for all funds lapse at the end of each fiscal year.

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

Local Economy

Because of Foley's close proximity to Alabama's beautiful white sandy beaches, tourism plays an important role in the City's economy. According to the Alabama Department of Tourism's calendar year 2019 Economic Impact Report, Baldwin County's estimated 6.9 million visitors represented 20.0 percent of all visitors to the State. Travelers spent approximately \$5.2 billion in Baldwin County, an increase of \$435 million from 2018, while total travel-related earnings (both direct and indirect) of \$1.7 billion represented 29.4 percent of the statewide total. The County's total (direct and indirect) travel-related employment of 54,262 represented 26.0 percent of all Alabama travel-related employment.

Other major employment opportunities include health care, manufacturing, and hospitality and entertainment. South Baldwin Regional Medical Center (SBRMC) is a 112-bed facility that offers inpatient, outpatient, emergency, diagnostic and surgical care. There are numerous physician and medical related service and equipment provider offices located near SBRMC's facility in north Foley. Collins Aerospace is one of the world's leading providers of aerospace systems and services for large commercial aircraft. Other major manufacturing plants include Ascend Performance Materials, the world's largest fully integrated producer of nylon 6,6 resin, and Vulcan, Inc. with a 32-acre campus consisting of five integrated manufacturing facilities. The City's 5.6 percent employment rate is lower than both the national average of 7.9 percent and the state average of 6.7 percent.

The general fund accounts for the day-to-day activity of the government and includes all activity not assigned to special purpose funds. On September 3, 2019, the Council unanimously voted to extend the expiration date of a temporary one percent sales and use tax that was enacted March 1, 2017, from August 31, 2020, to August 31, 2030. The Council implemented a lodging tax rate increase in fiscal year 2014 in preparation of a significant increase in the number of rooms needed to accommodate the upcoming sports and entertainment developments. Primarily influenced by tourism, lodging tax revenue increased 63 percent from 2014 to 2020, during which time two new hotels began operations. Over the past ten years, expenditure of governmental funds for public safety

have increased by 55 percent and culture and recreation have increased by 101 percent as City leaders strive to provide its Citizens with cultural and leisure activities in a safe living environment.

In response to the COVID-19 Pandemic, Council adopted a Pandemic Continuity of Operations Plan (COOP), gave emergency powers to the Mayor, and put in place a \$10M line of credit with a local bank to be used if needed in response to this or any other health pandemic or natural disaster. Council also enacted a resolution instructing Directors to engage in the active reduction of non-essential operational expenses, freezing capital equipment purchases and new personnel positions, and deferring capital projects not currently under construction or funded by grants or other funding sources. Working with Departmental Directors, we identified what we believed to be the worst case scenario of potential revenue losses as well as a significant amount of non-essential expenses that could be reduced or delayed. Although we believed we would not meet the originally budgeted \$3.6M fund balance increase for funding future capital projects, we were optimistic that we could end the year with a balanced budget. Because the Governor opened up the economy sooner than anticipated and Directors stayed vigilant to the reduction of expenditures, the General Fund closed with an increase in fund balance of \$3,992,267.

The economic impact caused by tropical weather that occurs near the coast of the Gulf of Mexico can temporarily alter the City's economy. While major events such as Hurricane Ivan in 2004 cause significant damage to the area, the City's distance from the coast protects its buildings and infrastructure, as well as the majority of the business community, from devastating storm surges. After a tropical event, the influx of people to the City changes from tourists to storm recovery personnel such as clean-up, construction and contractor crews. A significant amount of revenue lost from tourism is recovered by revenue generated from the sale of materials to rebuild and from recovery personnel filling hotel rooms left vacant by tourists. In preparation of these types of storm events, the City has an emergency plan in place that includes contracts for disaster debris management and removal. That plan was put into action when Hurricane Sally, the first hurricane to hit Alabama since Ivan in the same area sixteen years earlier to the date, made landfall at Gulf Shores as an extremely slow moving (2 mph) Category 2 storm dumping nearly 30 inches of rain. The quick response of our emergency personnel, along with assistance from other agencies, prevented any storm landfall related fatalities. Through the first quarter of FY21, sales and lodging taxes are \$1.4M over the amount budgeted and there are wait lines at restaurants. It is important to note that a slow moving category 5 hurricane could have produced a significantly different outcome.

S&P Global Ratings assigned a long term rating of AA-/Stable for its 2019 \$4,905,000 GO warrants, an AA- long-term rating on the its GO debt outstanding, an A+ long-term rating on its series 2013 lease purchase certificates of participation, and an A+ long-term rating and underlying rating (SPUR) on Foley Public Facilities Cooperative District's series 2009 and 2016 revenue bonds supported by the City of Foley. For the City's General Obligations, Moody's Investors Services maintains a Aa3 rating stating that the City's credit position matched the nationwide median of other Aa3 cities.

Long-term financial planning and major initiatives

The unrestricted fund balance goal (the total of committed, assigned, and unassigned components of fund balance) in the General Fund is calculated at 25 percent of originally budgeted expenditures and debt service, net of one-time expenditures and expenditures offset by transfers in. The goal for fiscal year 2020 was \$9,936,886 and actual results of \$17,883,183 adequately exceeded that goal. Fund balance and the minimum fund balance goal are periodically reviewed to ensure the City is able to endure periods of economic stress. Refer to the Financial Section, Notes to the Financial Statements, for additional information on fund balance (Note A.11).

Management prepares and maintains various long term capital expenditure planning documents and the most recent report can be found beginning on page 115 of the fiscal year 2021 annual budget which is published on the City's website (www.cityoffoley.org). The cost of funding these plans is incorporated into a ten-year cash flow analysis to determine the amount of unrestricted fund balance above the established minimum goal that is available for funding future capital expenditures, and to identify possible future financing needs. A schedule of construction

work in-progress that shows projects completed and projects under construction at the end of the current fiscal year can be found just before the Statistical Section of this report.

Relevant financial policies

The City of Foley strives to maintain an up-to-date set of comprehensive financial policies. New Governmental Accounting Standards Board (GASB) pronouncements are closely analyzed to determine any impact to the City's financial reporting requirements and proactive steps are taken to ensure implementation guidelines are followed and deadlines are met. Refer to Note A.13. in the Financial Section for a summary of pending pronouncements and their effective dates.

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

Awards and acknowledgments

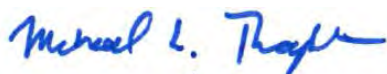
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Foley, Alabama, for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

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

Respectfully submitted,

Michael Thompson



City Administrator

Sue Steigerwald



Finance Director/Treasurer

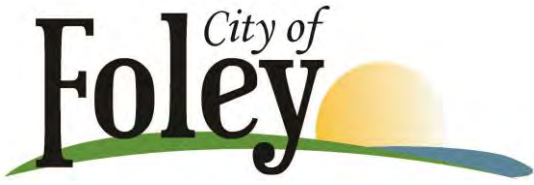
The City of Foley, Alabama
ELECTED AND APPOINTED OFFICIALS
Year Ended September 30, 2020

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

City Administrator	Michael Thompson
City Clerk	Kathryn Taylor
Human Resources Director	Sandra Pate
Finance Director/Treasurer	Sue Steigerwald
Fire Chief	Joseph Darby
Police Chief	Thurston Bullock
Planner	Miriam Boutwell
Engineer	Chad Christian
Municipal Judge	Michael Dasinger
Assistant Municipal Judge	Frank Hollon
City Prosecutor	Warren Harbison



City of Foley

Organizational Chart

2020

Mayor and City Council

Mayor

Ralph Hellmich

Council

J. Wayne Trawich, Council President (D-1)

Vera Quaites (D-2)

Richard Dayton (D-3)

Rick Blackwell (D-4)

Charles Ebert III, President Pro Temp (D-5)

General Government

City Administrator - Mike Thompson

HR Director - Sandra Pate

City Clerk - Kathryn Taylor

Finance Director/City Treasurer - Sue Steigerwald

Revenue Officer - Jamie Smith

Municipal Airport - Sue Steigerwald

Municipal Complex

Municipal Complex Director
Pam Harris

Building Maintenance

Civic Center

Custodial Care

Municipal Court

Clerk/Administrator
Brandy Springsteen

Criminal

Domestic

Traffic

Information Technology

Information Systems Manager
Gary Schrader

Technical Support

Network Services

GIS Services

Public Works

Public Works Superintendent
Darrell Russell

Maintenance Shop

Public Works

Street / Sanitation

Police

Police Chief
Thurston Bullock

Animal Control

Dispatch

Investigation / Patrol

School Resource Officer

Fire

Fire Chief
Joey Darby

Prevention

Training

Fire Education

Community Development

City Planner
Miriam Boutwell

Planning & Zoning

Inspections / Permitting

Code Enforcement

Historic District

Environmental Department

Environmental Director
Leslie Gahagan

Environmental Compliance

Code Enforcement

Habitat Restoration

Engineering

City Engineer
Chad Christian

Land Disturbance Permits

Detention Requirements

Parks

Parks Superintendent
Gary Deisner

Park Maintenance

Special Event Support

Library

Library Director
John Jackson

Adult & Children Programs

Computer Lab / References

Recreation

Director
David Thompson

Athletics / Events / Pools

City League Sports / Park Rentals

Sports Tourism

Director
David Thompson

Multi - Use Fields

Event Center

Horticulture

Horticulturist
John Graham

Flower Beds

Hanging Baskets

Greenhouse / Tree Care

Marketing

Marketing Director
LaDonna Hinesley

Marketing / Promotion

Tourism / City Museums

Welcome Center

Senior Center

Senior Center Director
Pam Harris

Senior Awareness

Various Activities

Nature Parks

Environmental Director
Leslie Gahagan

Environmental Compliance

Habitat Restoration

Education

Beautification

Beautification Board

Revitalization

Beautification

Economic Develop

City Administrator
Mike Thompson

Economic Development



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Foley
Alabama**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Foley, Alabama (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Foley, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules related to pension and other post-employment healthcare benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, individual fund budgetary comparison schedules, schedule of construction in progress, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements, individual fund budgetary comparison schedules, and schedule of construction in progress are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Warren Averett, LLC

Foley, Alabama
January 22, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Foley, Alabama (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal.

Financial Highlights

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$128,553,516, an increase of \$7,452,041 from the prior year. A detailed explanation of the City's net position can be found in Table 1 of the Management's Discussion and Analysis (MD&A).
- The Statement of Activities shows the Primary Government received taxes and other revenue of \$55,271,255 and had expenses of \$47,819,214.
- The Statement of Revenues, Expenditures and Changes in Fund Balance shows the General fund operating revenues exceeded operating expenditures by \$10,269,508.
- On May 4, 2020 Resolution 20-1116 was enacted to implement spending reduction measures in response to the COVID-19 pandemic.
- As shown in Table 3, the City's governmental funds reported a combined ending fund balance of \$28,138,496, an increase in fund balance of \$3,509,705 from the prior year.
- Table 3 also shows the General Fund closed with a fund balance of \$24,109,191 reflecting an increase of \$3,992,267 for the year.

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities such as police, fire, sanitation, recreation and general administration) from other functions that are intended to recover all or a significant portion of their costs through user

fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation and the business-type activity is a farmers' and fishermen's market. The government-wide financial statements can be found immediately following this discussion and analysis.

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

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

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

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

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Foley maintains a type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the Coastal Alabama Farmers' and Fishermen's Market, Inc, a blended component unit of the City. Blended component units are legally separate entities and are discussed further in Note A.1. The Reporting Entity.

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

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

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

Government-wide Overall Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$128,553,516 at the close of the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 34,361,009	\$ 27,908,397	\$ 231,780	\$ 243,727	\$ 34,592,789	\$ 28,152,124
Capital assets, net	170,864,862	170,087,620	7,762,282	8,045,899	178,627,144	178,133,519
Total assets	205,225,871	197,996,017	7,994,062	8,289,626	213,219,933	206,285,643
Deferred outflows of resources	6,295,096	4,791,772	-	-	6,295,096	4,791,772
Total assets and deferred outflows of resources	211,520,967	202,787,789	7,994,062	8,289,626	219,515,029	211,077,415
Current and other liabilities	6,222,511	3,279,586	451	246	6,222,962	3,279,832
Long-term debt	75,924,338	76,529,643	8,682,954	9,123,296	84,607,292	85,652,939
Total liabilities	82,146,849	79,809,229	8,683,405	9,123,542	90,830,254	88,932,771
Deferred inflow of resources	131,259	1,043,169	-	-	131,259	1,043,169
Total liabilities and deferred inflows of resources	82,278,108	80,852,398	8,683,405	9,123,542	90,961,513	89,975,940
Net position:						
Net investment in capital assets	111,651,872	107,589,228	(920,677)	(1,077,397)	110,731,195	106,511,831
Restricted	4,206,052	3,893,646	19,380	43,313	4,225,432	3,936,959
Unrestricted	13,384,935	10,452,517	211,954	200,168	13,596,889	10,652,685
Total net position	\$ 129,242,859	\$ 121,935,391	\$ (689,343)	\$ (833,916)	\$ 128,553,516	\$ 121,101,475

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

A portion of the City's net position is comprised of resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance may be used to meet the government's ongoing obligations to citizens and creditors. The City's overall net position increased \$7,452,041 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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

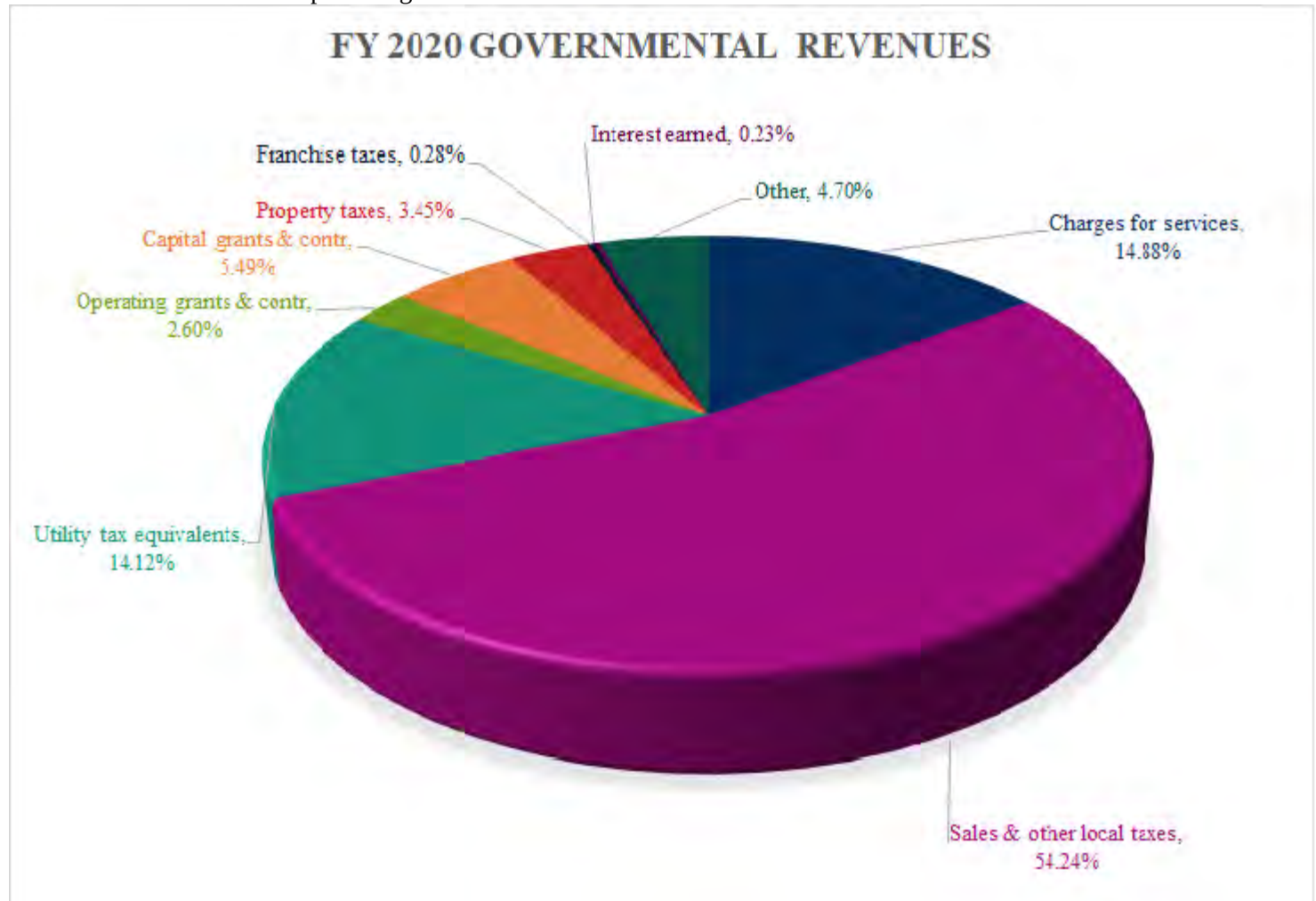
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for service	\$ 8,110,075	\$ 7,463,831	\$ 782,273	\$ 429,792	\$ 8,892,348	\$ 7,893,623
Operating grants and contributions	939,614	600,928	-	-	939,614	600,928
Capital grants and contributions	3,468,332	5,139,991	-	-	3,468,332	5,139,991
General revenues						
Property taxes	1,880,124	1,765,580	-	-	1,880,124	1,765,580
Sales and other local taxes	29,555,402	28,958,941	-	-	29,555,402	28,958,941
Utility tax equivalents	7,692,940	7,410,006	-	-	7,692,940	7,410,006
Interest	127,441	181,192	469	382	127,910	181,574
Other	2,561,847	2,799,448	-	929	2,561,847	2,800,377
Franchise taxes	152,738	155,933	-	-	152,738	155,933
Total Revenues	54,488,513	54,475,850	782,742	431,103	55,271,255	54,906,953
Expenses						
General government	10,335,537	6,770,564	-	-	10,335,537	6,770,564
Public safety	14,457,671	13,898,543	-	-	14,457,671	13,898,543
Highways and streets	6,628,418	6,124,409	-	-	6,628,418	6,124,409
Sanitation	2,657,082	2,445,165	-	-	2,657,082	2,445,165
Culture and recreation	8,959,094	9,778,699	-	-	8,959,094	9,778,699
Economic development	1,723,683	1,737,324	-	-	1,723,683	1,737,324
Interest on long-term debt	2,360,056	2,601,830	-	-	2,360,056	2,601,830
CAFFM, Inc.	-	-	697,673	820,686	697,673	820,686
Total Expenses	47,121,541	43,356,534	697,673	820,686	47,819,214	44,177,220
Increase (decrease) in net position before transfers	7,366,972	11,119,316	85,069	(389,583)	7,452,041	10,729,733
Transfers	(59,504)	(59,504)	59,504	59,504	-	-
Increase (decrease) in net position	7,307,468	11,059,812	144,573	(330,079)	7,452,041	10,729,733
Beginning net position	121,935,391	110,875,579	(833,916)	(503,837)	121,101,475	110,371,742
Ending net position	<u>\$ 129,242,859</u>	<u>\$ 121,935,391</u>	<u>\$ (689,343)</u>	<u>\$ (833,916)</u>	<u>\$ 128,553,516</u>	<u>\$ 121,101,475</u>

Governmental Activities. Governmental activities for the current year increased the City's net position by \$7,307,468. Key elements of this change are as follows:

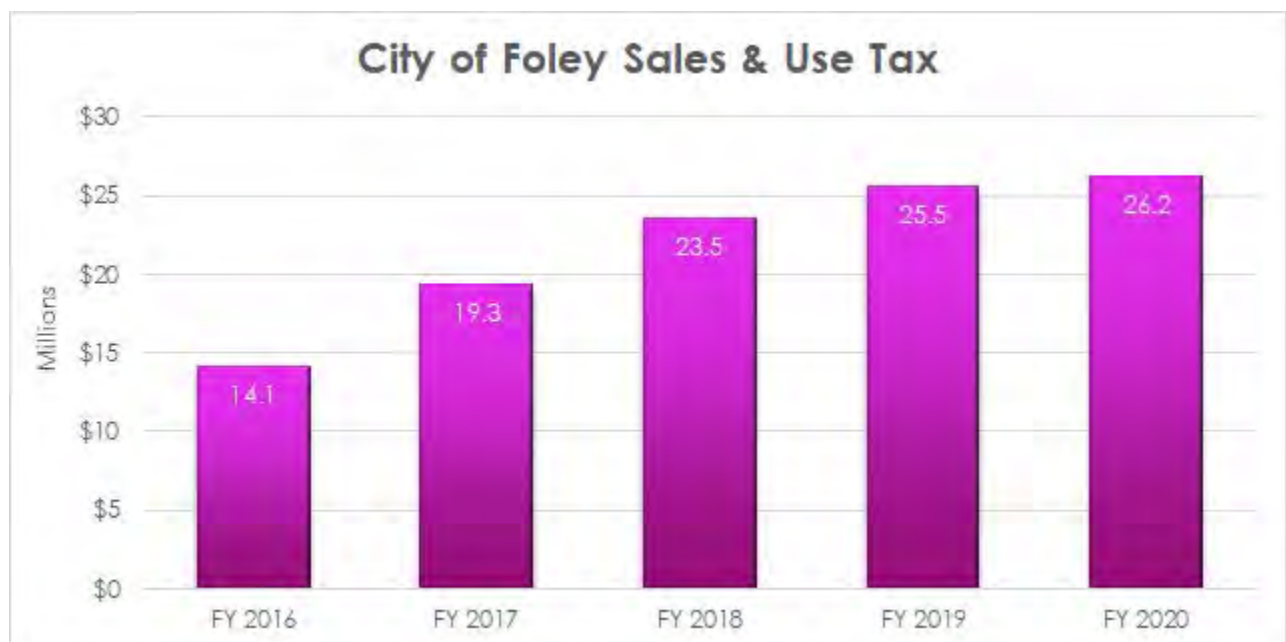
- Sales and use tax increased by approximately \$654,000, or 2.6 percent.
- An increase in the monthly sanitation charges and an increase in building permits issued were responsible for a majority of the increase in charges for services.
- Operational grants increased by approximately \$330,000 as a result of CARES Act reimbursement for COVID-19 expenses.
- Hurricane Sally clean up and response to COVID-19 were responsible for increases in general government expenses.

Business-Type Activities. Business type activities increased the City's net position by \$144,573 primarily due to the start of a deferred lease and a reduction in building maintenance cost.

Governmental revenues as a percentage of total:



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



Financial Analysis of Governmental Funds

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

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

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

TABLE 3
CHANGE IN FUND BALANCES
For the Year ended September 30, 2020

Fund	Beginning Fund Balance	Increase (Decrease)	Ending Fund Balance
General Fund	\$ 20,116,924	\$ 3,992,267	\$ 24,109,191
Capital Projects Fund	292,889	(284,241)	8,648
Public Facilities Cooperative District	1,585,851	(6,219)	1,579,632
Non-Major Funds	2,633,127	(192,102)	2,441,025
Total	<u>\$ 24,628,791</u>	<u>\$ 3,509,705</u>	<u>\$ 28,138,496</u>

TABLE 4
FUND BALANCE BY TYPE
For the Year ended September 30, 2020

Fund Balance Type	General Fund	Capital Projects Fund	Public Facilities Cooperative District	Non-Major Funds	Total
Nonspendable	\$ 5,853,668	\$ -	\$ -	\$ -	\$ 5,853,668
Restricted	372,340	-	1,556,607	2,277,105	4,206,052
Committed	-	8,648	23,025	71,491	103,164
Assigned	842,041	-	-	-	842,041
Unassigned	17,041,142	-	-	92,429	17,133,571
Total fund balance	<u>\$ 24,109,191</u>	<u>\$ 8,648</u>	<u>\$ 1,579,632</u>	<u>\$ 2,441,025</u>	<u>\$ 28,138,496</u>

As of September 30th, the City's governmental funds reported combined fund balances of \$28,138,496, an increase of \$3,509,705 in comparison with the prior year. Of this total, \$17,133,571 represents unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable (not in spendable form), restricted (legally required to be maintained intact), committed (committed for particular purposes), or assigned (assigned for particular purposes). Refer to Note A.11. for additional information on fund balance classifications and constraints.

The General Fund, the chief operating fund of the City, closed with an increase in fund balance of \$3,992,267. Actual General Fund operations resulted in \$10,269,508 in excess revenue remaining after expenditures. Transfers from other funds generated an additional \$2,361,736, and transfers to other funds of \$8,638,977 were made to service debt, to fund capital improvements and to help fund operations of other funds. The net results of all operations resulted in an ending fund balance of \$24,109,191.

The Capital Projects fund experienced a decrease of \$284,241 in fund balance. Expenditures totaling \$5,105,834 consisted of capital asset additions and construction work in progress of \$4,094,219, required maintenance to infrastructure of \$973,940, \$35,000 in debt service payments and \$2,675 in other cost. Grants and contributions totaling \$2,664,478 were recognized and cash transfers from the General Fund of \$2,157,115 to fund the remaining expenditures were received.

The Public Facilities Cooperative District (PFCD) experienced a decrease of \$6,219 in fund balance. Transfers from the General Fund totaling \$328,809 were received to service debt. Revenues consisting of project user fees and interest income totaled \$1,992,125. Expenditures of \$347,281 included cost to service debt in the amount of \$338,928 for principal and interest, and \$8,353 for insurance expense. The PFCD transferred \$1,920,368 in project user fees to other funds and \$59,504 in New Market Tax Credit interest rebates were made to Coastal Alabama Farmers & Fishermen's Market, Inc.

Other Funds realized an aggregate fund balance decrease of \$192,102. An increase of \$36,640 occurred in the Public Athletic & Sports Facilities Cooperative District Fund as a result of project user fees collected and not transferred to the developer. An increase of \$22,701 occurred in the Jail Corrections Fund due to budgeted purchases not arriving before year end. A slight increase occurred in the State Gas Tax Fund. A decrease of \$330,256 occurred in the Fire AdValorem Fund as a result of the purchase of a fire truck. COVID-19 required the City to cancel recreational sports and this caused the Recreation Activity Fund to have a decrease of \$21,981. The Public Library Fund had a slight decrease of \$2,627, the Court Corrections fund had a slight decrease of \$218, the FST Multi-Use Fields Operations fund had a slight decrease of \$922 and the Public Cultural & Entertainment Facilities Cooperative District had a slight decrease of \$2,072. An increase of \$104,294 occurred in the General Obligation Warrant Series 2019 Fund as a result of transfers from the General Fund for future debt service payments. A slight increase of \$3,311 occurred in the Energy Conservation Bonds Fund. A slight decrease of \$3,572 occurred in the General Obligation Warrant Series 2014 Fund and a slight decrease of \$2,052 occurred in the General Obligation Warrant Series 2015 Fund.

General Fund Budgetary Highlights

Original budget compared to final budget. The original budget for General Fund revenues had a significant increase of \$4,501,934 for an amended budget of \$52,537,670 due to Grants that were awarded during the year. Actual revenues of \$47,973,596 were under the final budget by \$4,564,074. Intergovernmental revenues closed under budget because the Hurricane Sally project worksheets had not been approved by FEMA and the CARES act grant had not been fully spent at year end. Sales and other local taxes closed under budget due to COVID-19. The negative variance categories totaled \$5,428,473 and consisted primarily of Intergovernmental, Sales and other local taxes, interest and charges for services shortfalls. The positive variance categories totaled \$864,399 and are attributed primarily to license and permits and franchise fees. Operating transfers in were originally budgeted at \$3,012,400, were increased \$6,051, and closed \$656,715 under the amended budget.

The final budgeted expenditures of \$41,143,408 represent a significant increase of \$5,118,252 over the original budget of \$36,025,156 as a result of grants that were awarded during the year and cost to clean up hurricane damage. Actual results of \$37,704,088 closed \$3,439,320 under the final budget amount for the following reasons:

- Personnel cost closed over budget by \$134,666 due to additional overtime incurred for hurricane clean up.
- Operational closed under budget by \$3,343,181 as a result of:
 - ◆ Operational cut backs in various departments because of COVID-19,
 - ◆ Delays in spending CARES act funding that was budgeted
 - ◆ The cost of hurricane clean-up at year end was under budget
 - ◆ Project user fees closed under budget due to store closings caused by COVID-19
- Capital closed under budget by \$227,847 as a result of planned delays of capital purchases because of the unknown long term effects that COVID-19 would have on the economy.

Budgeted transfers out had an increase of \$9,431 and closed \$2,714,462 under budget as a result of capital projects also being purposefully delayed because of COVID-19.

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

Capital Assets and Debt Administration

Capital Assets. Capital assets net of depreciation at September 30, 2020, totaled \$170,864,862 for governmental activities and \$7,762,282 for business-type activities. Major capital asset events during the current fiscal year included the following:

- Capital machinery and equipment additions totaling \$2,724,499.
- Purchased two plots of land for future drainage project totaling \$140,987.
- Completion of 2 major road projects totaling \$5,926,871.
- Completion of airport projects totaling \$1,349,920.
- Purchase of land and design fees for future environmental project totaling \$1,381,660.

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

TABLE 5
CAPITAL ASSETS
For the Year ended September 30, 2020

	Governmental Activities	Business-Type Activities	Total Primary Government
Non-depreciable assets			
Land and rights-of-way	\$ 25,467,814	\$ 885,000	\$ 26,352,814
Construction work in progress	2,325,538	-	2,325,538
Total non-depreciable assets	27,793,352	885,000	28,678,352
Depreciable assets			
Property improvements	35,272,060	1,815,015	37,087,075
Building improvements	41,643,752	6,583,115	48,226,867
Machinery and equipment	21,896,380	58,729	21,955,109
Infrastructure	131,279,085	-	131,279,085
Less: Accumulated depreciation	(87,019,767)	(1,579,577)	(88,599,344)
Total depreciable assets	143,071,510	6,877,282	149,948,792
Total capital assets, net of depreciation	\$ 170,864,862	\$ 7,762,282	\$ 178,627,144

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

Long-term Debt. As of September 30, 2020, the Primary Government had \$68,049,426 in total outstanding debt.

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

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

TABLE 6
GENERAL CONSTITUTIONAL DEBT MARGIN
For the Year ended September 30, 2020

Assessed Value (1)	\$ 376,604,084
Debt limit (20% of assessed value)	<u>75,320,817</u>
Debt applicable to limit:	
Outstanding debt of the primary government (2)	68,049,426
Less: Exempt Special Lease Obligations	(11,720,680)
Less: Exempt debt pursuant to Section 772	(27,588,030)
Less: Amount set aside for repayment of debt (3)	<u>(874,782)</u>
Total net debt applicable to limit	27,865,934
Legal Debt Margin for Fiscal Year 2019	<u>\$ 47,454,883</u>
Net debt as a percentage of debt limit	<u>37.00%</u>

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

(2) Includes: the aggregate principal amount of general obligation warrants totaling \$19,936,424; an Annual Lease Agreement dated April 13, 2016, to fund the Public Facilities Cooperative District Revenue Bonds with a current balance of \$9,438,730; a Lease Purchase Agreement dated May 1, 2013, to fund the 2013 Lease Purchase Certificates of Participation/Qualified Energy Conservation Bonds with a current balance of \$2,281,950; \$113,750 in note payables; capital lease for equipment in the amount of \$7,589; a \$12,764,603 Funding Agreement for the Public Athletic and Sports Facilities Cooperative Districts 2015 Revenue Bonds exempt under Section 772; a \$14,823,427 Funding Agreement for the Public Cultural & Entertainment Facilities Cooperative Districts 2015 Revenue Bonds exempt under Section 772; an \$8,000,000 Funding Agreement for the New Market Tax Credits debt of the Coastal Alabama Farmers' and Fishermen's Market that is also exempt under Section 772; and a closed line of credit of the Coastal Alabama Farmers' and Fishermen's Market with a current balance of \$682,953.

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

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

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

TABLE 7
SPECIAL CONSTITUTIONAL DEBT MARGIN
For the Year ended September 30, 2020

Assessed Value (1)	\$ 376,604,084
Debt limit (50% of assessed value)	<u>188,302,042</u>
Debt applicable to limit:	
Funding agreement with Public Athletic and Sports Facilities Coop District	12,764,603
Funding agreement with Public Cultural & Entertainment Facilities Coop District	14,823,427
Funding agreements with Coastal Alabama Farmers' and Fishermen's Market, Inc.	8,682,953
Less: Amount set aside for repayment of debt (2)	<u>(514,072)</u>
Total net debt applicable to limit	35,756,911
Legal Debt Margin for Fiscal Year 2019	<u>\$ 152,545,131</u>
Net debt as a percentage of debt limit	<u>18.99%</u>

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

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

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

Economic Factors and Next Year's Budgets and Rates

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

The following economic factors currently affect the City and were considered in developing the 2020-21 fiscal year budget.

- The unemployment rate for Foley is currently 5.6 percent, which is 1.1 percent lower than the Alabama unemployment rate and 2.3 percent lower than the national unemployment rate.
- The fiscal year 2021 sales tax budget includes a very conservative increase of 2.78 percent.
- Grant opportunities are researched throughout the year and can cause grant revenues and related expenses to be under budgeted and amended as grants are awarded.
- General fund expenditures were budgeted \$924,976 higher than the fiscal year 2020 projected close and includes a \$419,001 increase in the COVID-19 expense account, which is offset by grant funding.
- Merit increases of 3 to 5 percent are expected to cost \$341,797, increases to current positions of \$50,000 were budgeted based on anticipated job analysis and new positions totaling \$269,217 were approved.
- Capital equipment purchases of \$1,957,000 were approved.
- Although Hurricane Sally was not considered during the budget process, the City has adjusted the fiscal year 2021 budget to include approximately \$13.6 million of expenses. The City expenses to be reimbursed 75 percent from FEMA and 12.5 percent from the state. Revenue accounts will be adjusted as project worksheets are approved by FEMA.

Requests for Information

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

Basic Financial Statements

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City of Foley, Alabama
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 23,373,240	\$ 229,306	\$ 23,602,546
Receivables			
Utility tax equivalents	793,772	-	793,772
Sales and other local taxes	2,614,012	-	2,614,012
Other	1,346,496	-	1,346,496
Inventories	34,796	1,874	36,670
Prepaid items	248,293	600	248,893
Note receivable-NMTC	5,950,400	-	5,950,400
Capital assets			
Non-depreciable	27,793,352	885,000	28,678,352
Depreciable, net	143,071,510	6,877,282	149,948,792
Total assets	205,225,871	7,994,062	213,219,933
DEFERRED OUTFLOWS OF RESOURCES			
Employer retirement contributions	985,338	-	985,338
Differences between expected and actual experiences-Pensions	1,718,263	-	1,718,263
Net difference between projected and actual earnings on plan investments-Pensions	423,749	-	423,749
Changes of assumption-Pensions	941,847	-	941,847
Difference between expected and actual experience-OPEB	485,612	-	485,612
Changes of assumptions-OPEB	1,049,892	-	1,049,892
Net difference between reacquisition price and net carrying amount of advance refunding	690,395	-	690,395
Total deferred outflows of resources	6,295,096	-	6,295,096
Total assets and deferred outflows of resources	211,520,967	7,994,062	219,515,029
LIABILITIES			
Accounts payable and other current liabilities	6,158,014	451	6,158,465
Accrued liabilities	19,872	-	19,872
Unearned revenue	44,625	-	44,625
Long-term liabilities:			
Due within one year	5,118,570	127,952	5,246,522
Due in more than one year	56,315,388	633,965	56,949,353
Post-employment health care obligation	6,818,113	-	6,818,113
Pension liability	7,672,267	-	7,672,267
Qualified Low Income Business Loan	-	7,921,037	7,921,037
Total liabilities	82,146,849	8,683,405	90,830,254
DEFERRED INFLOWS OF RESOURCES			
Changes of assumptions-Pensions	13,260	-	13,260
Difference between expected and actual experience-Pensions	82,409	-	82,409
Net difference between reacquisition price and net carrying amount of advanced refunding	35,590	-	35,590
Total deferred inflows of resources	131,259	-	131,259
Total liabilities and deferred inflows of resources	82,278,108	8,683,405	90,961,513
NET POSITION			
Net investment in capital assets	111,651,872	(920,677)	110,731,195
Restricted			
Debt service	2,496,058	-	2,496,058
Creditors (NMTC reserves)	532,191	19,380	551,571
Police	231,333	-	231,333
Fire	464,356	-	464,356
Court	406,358	-	406,358
Highways & Streets	75,756	-	75,756
Unrestricted	13,384,935	211,954	13,596,889
Total net position	\$ 129,242,859	\$ (689,343)	\$ 128,553,516

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

City of Foley, Alabama
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2020

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 10,335,537	\$ 3,411,513	\$ 395,758	\$ 646,183	\$ (5,882,083)	\$ -	\$ (5,882,083)
Public safety	14,457,671	1,596,617	272,212	1,286,942	(11,301,900)	-	(11,301,900)
Highways and streets	6,628,418	11,500	170,879	1,534,407	(4,911,632)	-	(4,911,632)
Sanitation	2,657,082	2,825,171	-	-	168,089	-	168,089
Culture and recreation	8,959,094	265,274	100,765	800	(8,592,255)	-	(8,592,255)
Economic development	1,723,683	-	-	-	(1,723,683)	-	(1,723,683)
Interest on long-term debt	2,360,056	-	-	-	(2,360,056)	-	(2,360,056)
Total governmental activities	47,121,541	8,110,075	939,614	3,468,332	(34,603,520)	-	(34,603,520)
Business-Type Activities:							
Coastal AL Farmers and Fishermens Mkt	697,673	782,273	-	-	-	84,600	84,600
Total business-type activities	697,673	782,273	-	-	-	84,600	84,600
Total primary government	\$ 47,819,214	\$ 8,892,348	\$ 939,614	\$ 3,468,332	(34,603,520)	84,600	(34,518,920)
General revenues:							
Property taxes					1,880,124	-	1,880,124
Sales and other local taxes					29,555,402	-	29,555,402
Utility tax equivalents					7,692,940	-	7,692,940
Interest					127,441	469	127,910
Other					2,561,847	-	2,561,847
Franchise fees					152,738	-	152,738
Transfers					(59,504)	59,504	-
Total general revenues and transfers					41,910,988	59,973	41,970,961
Change in net position					7,307,468	144,573	7,452,041
Net position - beginning of year					121,935,391	(833,916)	121,101,475
Net position - end of year					\$ 129,242,859	\$ (689,343)	\$ 128,553,516

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

City of Foley, Alabama
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2020

	General Fund	Capital Projects Fund	Public Facilities Cooperative District	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash investments	\$ 19,527,613	\$ -	\$ 1,379,794	\$ 2,465,833	\$ 23,373,240
Receivables					
Utility tax equivalents	793,772	-	-	-	793,772
Property and advalorem tax	89,905	-	-	14,815	104,720
Sales and other local taxes	2,598,602	-	-	15,410	2,614,012
Sanitation	44,132	-	-	-	44,132
Grants	257,894	267,454	-	-	525,348
Other	154,824	343,536	147,094	26,840	672,294
Due from other funds	674,374	-	-	76,709	751,083
Inventories	34,796	-	-	-	34,796
Prepaid items	248,293	-	-	-	248,293
Loans from other funds	5,570,579	-	-	-	5,570,579
Note receivable - NMTC	-	-	5,950,400	-	5,950,400
Total assets	\$ 29,994,784	\$ 610,990	\$ 7,477,288	\$ 2,599,607	\$ 40,682,669
LIABILITIES					
Accounts payable and other current liabilities	\$ 5,840,968	\$ 315,016	\$ -	\$ 2,030	\$ 6,158,014
Accrued liabilities	-	19,872	-	-	19,872
Due to other funds	-	267,454	327,077	156,552	751,083
Unearned revenue	44,625	-	-	-	44,625
Loans to other funds	-	-	5,570,579	-	5,570,579
Total liabilities	5,885,593	602,342	5,897,656	158,582	12,544,173
FUND BALANCES					
Nonspendable	5,853,668	-	-	-	5,853,668
Restricted	372,340	-	1,556,607	2,277,105	4,206,052
Committed	-	8,648	23,025	71,491	103,164
Assigned	842,041	-	-	-	842,041
Unassigned	17,041,142	-	-	92,429	17,133,571
Total fund balances	24,109,191	8,648	1,579,632	2,441,025	28,138,496
Total liabilities and fund balances	\$ 29,994,784	\$ 610,990	\$ 7,477,288	\$ 2,599,607	\$ 40,682,669

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

City of Foley Alabama
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020

Fund balances - total governmental funds	\$	28,138,496
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	257,884,629	
Less accumulated depreciation	<u>(87,019,767)</u>	170,864,862

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the governmental funds.	3,923,390
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Deferred inflows of resources related to volunteer firefighter LOSAP are applicable to future periods and therefore are not reported in the governmental funds.	50,140
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Deferred outflows of resources related to post employment health care cost are applicable to future periods and therefore are not reported in the governmental funds.	1,535,504
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Deferred outflows are reported for the net difference between reacquisition price and net carrying amount of advanced refunding.	654,805
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Warrants and bonds payable, net of deferred premiums and discounts	(59,245,134)	
Notes payable	(113,750)	
Capital lease payables	(7,590)	
Accrued interest payable	(745,593)	
Health claims payable	(214,000)	
Post-employment healthcare obligation	(6,818,113)	
Compensated absences	(1,107,891)	
Net pension liability - ERSA	(7,166,035)	
Net pension liability - Volunteer firefighter LOSAP	(506,232)	<u>(75,924,338)</u>

Net position of governmental activities	\$	<u><u>129,242,859</u></u>
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The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2020

	General Fund	Capital Projects Fund	Public Facilities Cooperative District	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Property and advalorem taxes	\$ 1,682,132	\$ -	\$ -	\$ 197,992	\$ 1,880,124
Sales and other local taxes	29,383,081	-	-	172,321	29,555,402
Licenses and permits	4,229,647	-	-	-	4,229,647
Intergovernmental	658,407	2,648,302	-	33,022	3,339,731
Charges for services	2,967,401	-	-	118,565	3,085,966
Fines and forfeitures	482,871	-	-	73,924	556,795
Franchise Fees	7,845,678	-	-	-	7,845,678
Interest and rents	278,069	-	70,834	16,205	365,108
Contributions and donations	29,259	16,176	-	41,871	87,306
Other	417,051	-	1,921,291	408,068	2,746,410
Total revenues	<u>47,973,596</u>	<u>2,664,478</u>	<u>1,992,125</u>	<u>1,061,968</u>	<u>53,692,167</u>
Expenditures					
Current:					
General government	9,451,011	2,675	8,353	40,044	9,502,083
Public safety	13,212,266	-	-	18,747	13,231,013
Highways and streets	2,700,313	973,940	-	27,872	3,702,125
Sanitation	2,339,768	-	-	-	2,339,768
Culture and recreation	5,879,645	-	-	780,778	6,660,423
Economic development	1,723,683	-	-	-	1,723,683
Capital outlay	2,184,243	4,094,219	-	521,834	6,800,296
Debt service:					
Principal	206,754	35,000	65,000	3,495,384	3,802,138
Interest	6,405	-	273,928	2,069,044	2,349,377
Bond cost	-	-	-	12,052	12,052
Total expenditures	<u>37,704,088</u>	<u>5,105,834</u>	<u>347,281</u>	<u>6,965,755</u>	<u>50,122,958</u>
Excess (deficiency) of revenues over expenditures	<u>10,269,508</u>	<u>(2,441,356)</u>	<u>1,644,844</u>	<u>(5,903,787)</u>	<u>3,569,209</u>
Other financing sources (uses)					
Transfers in	2,361,736	2,157,115	328,809	6,153,053	11,000,713
Transfers out	(8,638,977)	-	(1,979,872)	(441,368)	(11,060,217)
Total other financing sources (uses)	<u>(6,277,241)</u>	<u>2,157,115</u>	<u>(1,651,063)</u>	<u>5,711,685</u>	<u>(59,504)</u>
Net change in fund balances	<u>3,992,267</u>	<u>(284,241)</u>	<u>(6,219)</u>	<u>(192,102)</u>	<u>3,509,705</u>
Fund balances, beginning of year	<u>20,116,924</u>	<u>292,889</u>	<u>1,585,851</u>	<u>2,633,127</u>	<u>24,628,791</u>
Fund balances, end of year	<u>\$ 24,109,191</u>	<u>\$ 8,648</u>	<u>\$ 1,579,632</u>	<u>\$ 2,441,025</u>	<u>\$ 28,138,496</u>

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

City of Foley, Alabama
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2020

Net change in fund balance - Governmental Funds	\$ 3,509,705
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.

Expenditures for capital assets	6,800,296	
Less current year depreciation	(6,796,720)	
Loss on disposal of capital assets	(184,566)	
Prior year work in progress expensed in current year	(22,680)	(203,670)

Contributions of capital assets are not reported as income in governmental funds.	980,910
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Current year employer contributions to the pension plan are reported as expenditures in the governmental funds but are reported as deferred outflows in the statement of net position.	985,338
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,802,138
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of current year bond discount/premium	208,649	
Amortization of current year deferred outflow/advanced refunding	(72,041)	
Amortization of current year deferred inflow/advanced refunding	3,559	
Changes in accrued interest payable	1,373	
Changes in self-insured health plan unpaid claims	(20,300)	
Changes in compensated absences	(130,315)	(9,075)

Post Employment Health Care expense in the statement of activities takes into consideration the change in the net liability and related deferred inflows and outflows - OPEB.	(361,014)
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Pension expense in the statement of activities takes into consideration the change in the net pension liability and related deferred inflows and outflows - ERSA.	(1,375,004)
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Pension expense in the statement of activities takes into consideration the change in the net pension liability and related deferred inflows and outflows - Volunteer firefighter - LOSAP.	(21,860)
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Change in net position of governmental activities	\$ 7,307,468
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The accompanying notes are an integral part of these financial statements.

City of Foley, Alabama
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2020

	Coastal Alabama Farmers' & Fishermen's Market, Inc.
ASSETS	
Current assets	
Cash	\$ 229,306
Inventories	1,874
Prepaid items	600
Total current assets	<u>231,780</u>
Capital assets	
Non-depreciable	885,000
Depreciable assets, net	<u>6,877,282</u>
Total capital assets	<u>7,762,282</u>
Total assets	<u><u>\$ 7,994,062</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 451
Total current liabilities	<u>451</u>
Non-current liabilities	
Qualified Low Income Business Loan	8,000,000
Note payable	<u>682,954</u>
Total non-current liabilities	<u>8,682,954</u>
Total liabilities	<u>8,683,405</u>
NET POSITION	
Net investment in capital assets	(920,677)
Creditors (NMTC Reserves)	19,380
Unrestricted	<u>211,954</u>
Total net position	<u>(689,343)</u>
Total liabilities and net position	<u><u>\$ 7,994,062</u></u>

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

City of Foley, Alabama
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the fiscal year ended September 30, 2020

	Coastal Alabama Farmers' & Fishermen's Market, Inc.
Operating revenues:	
Charges for services	\$ 782,127
Other	146
Total operating revenues	<u>782,273</u>
Operating expenses:	
Legal and professional	112,828
Insurance	73,833
Utilities	18,893
Maintenance	34,974
Advertising	3,771
Contracted services	43,517
Miscellaneous	5,509
Depreciation	283,617
Total operating expenses	<u>576,942</u>
Operating income (loss)	205,331
Non-operating revenues (expenses):	
Interest expense	(120,731)
Interest income	469
Total non-operating expenses, net	<u>(120,262)</u>
Transfers in	59,504
Change in net position	144,573
Net position, beginning of year	<u>(833,916)</u>
Net position, end of year	<u><u>\$ (689,343)</u></u>

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

City of Foley, Alabama
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the fiscal year ended September 30, 2020

	Coastal Alabama Farmers' & Fishermen's Market, Inc.
CASH FLOWS FROM	
OPERATING ACTIVITIES	
Receipts from leases and other operating activities	\$ 782,273
Payments to suppliers	(292,507)
Net cash provided (used) by operating activities	<u>489,766</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	<u>59,504</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on note payable	(440,342)
Interest paid on note payable	(120,731)
Net cash used in capital and related financing activities	<u>(561,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>469</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,334)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>240,640</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 229,306</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ 205,331
Adjustments to reconcile operating income to net cash used by operating activities	
Depreciation	283,617
Decrease (increase) in assets	
Inventory	613
Increase (decrease) in liabilities	
Accounts payable	205
Net cash used by operating activities	<u><u>\$ 489,766</u></u>

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. The Reporting Entity

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

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

Blended Component Units. The City of Foley Public Facilities Cooperative District (PFCD) was incorporated in 2009 as a capital improvement district under the provisions of Chapter 99B of Title 11, Code of Alabama, 1975, and the City appoints a voting majority of its board members. The purpose of the District is to acquire, construct and install various capital improvements within the City and to aid the City in its economic development efforts through its ability to finance eligible projects under the authority of Chapter 99B. The District issued approximately \$23.3 million of bonds and transferred the net proceeds to the City in exchange for various capital projects and properties from the City, including City Hall, the Public Library, street and drainage projects, etc. Simultaneous with the transfer of assets to the District, the City leased-back the subject properties and projects from the District under an annual lease agreement requiring annual payments equal to 100 percent of the debt service on the District's bonds. The annual lease renews automatically each year, through the year ending September 30, 2030 (final maturity of the bonds), unless the City adopts a resolution expressing its intent to not renew. Upon final maturity of the bonds, the properties revert back to the City.

Coastal Alabama Farmers' and Fishermen's Market, Inc. (CAFFM) was formed in 2013 under the leadership of the City and the PFCD, which is blended with the City's financial statements as described above. CAFFM is a legally separate nonprofit entity under the provisions of IRS Code 501(c)(3) and is engaged in business-type activities (enterprise fund) related to operations of a farmers' and fishermen's market and ownership of multiple properties that will ultimately be funded from user charges and rents. The PFCD is the sole member of CAFFM and appoints a voting majority of its Board members, which consists entirely of City Officials, and has the ability to significantly influence the activities of CAFFM. CAFFM is a blended component unit because its governing body is substantively the same as the City, a

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

financial benefit or burden relationship exists, and the City is responsible for management of CAFFM's operations. CAFFM serves as a project entity to benefit from financing provided by new market tax credits.

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

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

2. Government-wide and fund financial statements

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

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

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

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

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

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

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

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

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

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

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

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

The *Public Facilities Cooperative District Fund* is the District's primary fund (special revenue) and is used to account for the user fees charged by the District and for financial resources to benefit economic development projects of the Cooperative District.

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

The *Coastal Alabama Farmers' and Fishermen's Market, Inc. Fund* is established to account for the user fees and charges by the farmers' and fishermen's market, for property rents, and for financial resources provided by new markets tax credits.

Additionally, the City reports the following fund types:

Governmental funds:

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

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

4. Property Tax Revenue Recognition

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

5. Cash and Investments

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

6. Prepaid Items

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

7. Inventories

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

8. Capital Assets

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

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

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

Buildings	20 - 40 years
Improvements (Building and Property)	7 - 30 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks, etc.)	10 - 50 years
Infrastructure (Sewer)	75 years
Machinery and equipment	5 - 20 years
Automobiles and equipment	5 - 15 years
Office equipment	5 - 10 years

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

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the event of termination, an employee is paid for accumulated vacation not to exceed 160 hours, or in the case of law enforcement officers and firefighters, not to exceed 190 hours. Employees are paid for overtime accumulated and unpaid to the date of termination not to exceed 80 hours, or in the case of law enforcement officers and firefighters, not to exceed 160 hours. Employees are not entitled to be paid for accumulated sick pay benefits upon termination.

Vacation, sick pay, and overtime are accrued in accordance with GASB Statement No. 16. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide financial statements. Expenditures are recognized in governmental funds when payments are made to employees.

10. Pension Plan

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

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

11. Net Position and Fund Balances

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

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

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

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

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

It is the City's goal to maintain a minimum unrestricted fund balance (the total of committed, assigned and unassigned components of fund balance) in the general fund equal to 25 percent of the originally budgeted operational expenditures and debt service obligations, less one time expenditures greater than \$500,000 and expenditures that are offset by transfers in or other financing sources, as a safeguard against financial demands caused by major natural disasters or other unforeseen events. The current year budgeted amount subject to the calculation was \$3,747,544 resulting in a 25 percent fund balance goal of \$9,936,886. The actual ending unrestricted fund balance of \$17,883,183 exceeds the goal by \$7,946,297.

12. Use of Estimates

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

City of Foley, Alabama
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13. Recently Issued Accounting Principles

GASB Statement No. 84, *Fiduciary Activities*, was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for fiscal year 2020. The City currently does not have any fiduciary activities.

GASB Statement No. 87, *Leases*, was issued to improve accounting and financial reporting for leases by governments. The requirements of this statement are effective for fiscal year 2022. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of the construction period. The requirements of this statement are effective for fiscal year 2021. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 90, *Majority Equity Interest*, was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for fiscal year 2021. This statement has no effect on the City's financial statements.

GASB, Statement No. 91, *Conduit Debt Obligations*, was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for fiscal year 2022. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 92, *Omnibus 2020*, was issued to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Standards. The requirements of this statement are effective for fiscal year 2022. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address accounting and financial reporting implications that result from the replacement of IROB and clarifies the definition of reference rate as it is used in Standard No. 53. The requirements of this statement are effective for fiscal year 2022. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this statement are effective for fiscal year 2023. The City is currently evaluating the impact this standard may have on its financial statements.

GASB Statement No. 95, *Postponement of the Effective dates of Certain Authoritative Guidance*, was issued to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This standard delayed the effective dates of certain provisions.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this statement are effective for fiscal year 2023. The City is currently evaluating the impact this standard may have on its financial statements.

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GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*, was issued to increase consistency in financial reporting of defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, while mitigating the cost association with reprint those plans. The requirements of this statement are effective for fiscal year 2022. The City is currently evaluating the impact this standard may have on its financial statements.

NOTE B. CASH AND INVESTMENTS

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

At September 30, 2020, the Primary Government's reported amount of qualified deposits were \$23,368,207. Public fund deposits held by QPD's totaled \$20,443,154, with actual bank balances of \$20,420,958, and consisted entirely of deposits with financial institutions in checking, money market accounts, and certificates of deposit. The amount reported and on deposit that was 100 percent federally invested by Bond Trustees in debt service reserve accounts was \$2,495,958. The City held an investment account for the volunteer fire department LOSAP benefit payments with a balance of \$2,276,725 of which Mutual Life Insurance Company guarantees principal. As a condition of a New Markets Tax Credit transaction, the Public Facilities Cooperative District is required to maintain \$150,000, plus accumulated interest, with the lending bank that is not an Alabama QPD but is insured up to \$250,000 by FDIC. CAFFM, a not-for-profit and the City's only proprietary fund, does not qualify for participation in the public funds SAFE Program. At year end, CAFFM did not exceed the FDIC \$250,000 insured amount with any of its banks.

NOTE C. UTILITY TAX EQUIVALENTS

Monthly tax equivalent payments are made to the City by the Utilities Board of the City of Foley based on a percentage of the retained earnings of the Utilities Board. The annual tax equivalent rate for fiscal year 2020 was 4.25% and resulted in revenues of \$7,692,940.

NOTE D. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2020:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 25,146,573	\$ 339,639	\$ (18,398)	\$ -	\$ 25,467,814
Construction in progress	6,324,299	3,714,726	(22,680)	(7,690,807)	2,325,538
Total capital assets not being depreciated	31,470,872	4,054,365	(41,078)	(7,690,807)	27,793,352
Capital assets being depreciated:					
Property improvements	34,424,374	15,486	-	832,200	35,272,060
Building improvements	40,803,974	172,059	(105,242)	772,961	41,643,752
Machinery & equipment	19,688,412	2,724,499	(561,567)	45,036	21,896,380
Infrastructure	124,423,676	814,799	-	6,040,610	131,279,085
Total capital assets being depreciated	219,340,436	3,726,843	(666,809)	7,690,807	230,091,277

City of Foley, Alabama
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Less accumulated depreciation:					
Property improvements	(9,222,460)	(1,181,119)	-	-	(10,403,579)
Building improvements	(10,504,905)	(1,105,880)	12,925	-	(11,597,860)
Machinery & equipment	(13,950,019)	(1,427,110)	487,716	-	(14,889,413)
Infrastructure	(47,046,304)	(3,082,611)	-	-	(50,128,915)
Total accumulated depreciation	(80,723,688)	(6,796,720)	500,641	-	(87,019,767)
Total capital assets being depreciated, net	138,616,748	(3,069,877)	(166,168)	7,690,807	143,071,510
Governmental activities, net	\$ 170,087,620	\$ 984,488	\$ (207,246)	\$ -	\$ 170,864,862

Business-type activities

Capital assets not being depreciated:					
Land	\$ 885,000	\$ -	\$ -	\$ -	\$ 885,000
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	885,000	-	-	-	885,000
Capital assets being depreciated:					
Property improvements	1,815,015	-	-	-	1,815,015
Building improvements	6,583,115	-	-	-	6,583,115
Moveable equipment	58,729	-	-	-	58,729
Total capital assets being depreciated	8,456,859	-	-	-	8,456,859
Less accumulated depreciation:					
Property improvements	(315,525)	(90,751)	-	-	(406,276)
Building improvements	(959,228)	(187,972)	-	-	(1,147,200)
Moveable equipment	(21,207)	(4,894)	-	-	(26,101)
Total accumulated depreciation	(1,295,960)	(283,617)	-	-	(1,579,577)
Total capital assets being depreciated, net	7,160,899	(283,617)	-	-	6,877,282
Business-type activities, net	\$ 8,045,899	\$ (283,617)	\$ -	\$ -	\$ 7,762,282

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

Governmental activities	
General Government	\$ 525,877
Public Safety	921,331
Highways & Streets	2,871,074
Sanitation	298,266
Culture-Recreation	2,180,172
Total depreciation expense - governmental activities	<u>\$ 6,796,720</u>
Business-type activities	
Coastal Alabama Farmers' and Fishermen's Market, Inc.	<u>\$ 283,617</u>

NOTE E. LONG-TERM DEBT

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

General Obligation Warrants & Special Revenue Bonds

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

General Obligation Warrant, Series 2006A. In 2006, the City issued \$11,460,000 Series 2006A General Obligation Warrants to fund the purchase of police and fire equipment, library expansion costs, purchase land for future expansion, and other infrastructure projects within the City.

General Obligation Warrants, Series 2014. In 2014, the City issued \$16,805,000 Series 2014 General Obligation Warrants to fund the acquisition, construction, and installation of capital improvements to certain public facilities within

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the City including pedestrian and intersection improvements, bike paths, a five field ball park, an environmental interpretive centre, fire station and road extensions resurfacing and improvements.

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

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

General Obligation Warrants, Series 2020, Taxable Line of Credit. On June 3, 2020, the City entered into a \$10,000,000 Revolving Line of Credit, with an interest rate of 2.95% to be used for emergency purposes only. There were no draws taken on the line as of September 30, 2020.

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

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

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

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Direct Borrowings & Direct Placement Debt

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

Note Payable. In 2017, the City entered into a note payable with Riviera Utilities for construction in aid in the amount of \$300,000 to fund the cost of parking lot lights at the newly constructed events center. The city paid this note off during the year.

Energy Loan. In 2014, the City received an interest free loan of \$350,000 through the low-cost energy loan program from the Energy Division of the Alabama Department of Economic and Community Affairs (ADECA) to fund energy efficiency improvement projects within the City. The loan is secured by the City's irrevocable letter of credit with an annual interest rate of 1.25 percent. In May 2020, the letter of credit matured and was replaced with a letter of credit of \$125,416 with a maturity date in May 2021. In the event of nonpayment when due, then at the option of the holder of the note, all of the amounts owed under the note shall immediately become due.

General Obligation Warrants, Series 2014-CB. In 2014, the City issued \$1,200,000 Taxable Series 2014-CB General Obligation Warrants to fund economic incentive projects including opening new retail stores in the City. The note is backed by the full faith and credit of the City. In the event of default, the balance of the note shall immediately become due. Events of default are considered nonpayment of principal and interest, breach of covenants, warranty, or loan documents, bankruptcy of the borrower, material change of financial condition of the borrower, or credit reduction below BBB by Standard and Poor's or BAA by Moody's. To the extent permitted by law, any amount of principal and/or interest not paid shall bear interest of 5% per annum, not to exceed the maximum Federal or Alabama lending rate, whichever is higher.

General Obligation Warrant, Series 2016. In 2016, the City issued its \$1,500,000 Taxable Series 2016 General Obligation Warrant to evidence its \$1,500,000 closed-end multiple advance loan with a bank to be used for economic incentives. Pursuant to the Economic Development Amendment, the City entered into a Project Agreement with ROHR, Inc., also known as UTC Aerospace Systems, now owned by Collins Aerospace, to provide \$1,500,000 in incentives to be used for the expansion of its existing aerospace manufacturing facility to aid in the creation of 260 new jobs. The note is backed by the full faith and credit of the City. In the event of default, the balance of the note shall immediately become due. Events of default are considered nonpayment of principal and interest, breach of covenants, warranty, or loan documents, bankruptcy of the borrower, or material change of financial condition of the borrower.

Coastal Alabama Farmers' and Fishermen's Market, Inc., Qualified Low Income Business Loan. In 2014, the City and its blended component units (the Public Facilities Cooperative District (PFCDD) and the newly formed Coastal Alabama Farmers' and Fishermen's Market, Inc. (CAFFM)) engaged in various transactions to ultimately secure proceeds from four 1.045% interest rate loans totaling \$8,000,000 for CAFFM, which qualifies as a qualified active low-income community business (QALICB) under provisions of the Federal New Markets Tax Credit Program. The 1.045% loans are payable by CAFFM to Pacesetter CDE X, LLC (Pacesetter) and collateralized by the assets of the fund.

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The PFCD participated in the transaction by serving as the leverage lender by making a \$5,950,400 loan at a rate of 1.0 percent to the Chase NMTC CAFFM Investment Fund, LLC (Investment Fund). The Investment Fund also received an equity contribution of \$2,589,600 from Chase Community Equity, LLC (CCE-LLC) an outside “tax credit investor” owning 100% of the Investment Fund. After paying a sub-allocation fee of \$540,000, the Investment Fund, which owns 99.99% of Pacesetter, made Qualifying Equity Investments totaling \$8,000,000 to Pacesetter, to fund Pacesetter’s four loans to CAFFM.

CAFFM will make quarterly “interest only” payments for seven years (through June 1, 2021) after which time quarterly principal and interest payments will be due until final maturity in 2043. The payments by CAFFM to Pacesetter will be distributed to the Investment Fund to pay debt service on the leverage loan to PFCD.

In connection with the PFCD leverage loan, the PFCD entered into an “Investment Fund Put/Call Agreement” with CCE-LLC which allows CCE-LLC to “put” its 100% ownership interest in the Investment Fund to PFCD at the end of the seven-year tax compliance period in 2021 for a purchase price of \$1,000, plus any transfer or closing costs. In the event the put is not exercised, PFCD can exercise a “call” option to purchase the interest, as valued by an independent appraiser.

The General Fund also has notes receivable totaling \$5,570,579 from the PFCD in connection with the transaction related to properties transferred to the PFCD.

Notes Receivable and Payable at September 30, 2019 were as follows:

Notes Receivable	Balance	Maturity Date	Interest Rate
General Fund	\$5,570,579	2043	1.3443%
PFCD	\$5,950,400	2043	1.0000%

Notes Payable	Balance	Maturity Date	Interest Rate
PFCD	\$5,570,579	2043	1.3444%
CAFFM—Four loans	\$8,000,000	2043	1.0450%

Coastal Alabama Farmers' and Fishermen's Market, Inc., Closed Line of Credit Agreement and Promissory Note.

In 2016, CAFFM entered into a \$1,400,000 Closed Line of Credit Agreement and Promissory Note with United Bank with such funds being available for draw through January 2017, at an interest rate of 2.94 percent per annum. Beginning February 1, 2017, and continuing for 180 months through January 31, 2032, the outstanding principal balance is subject to a fixed rate of interest of 3.60 percent. Principal and interest payments began February 2017, however, CAFFM may prepay the principal at any time without penalty. In the event of default of the promissory note, the total is due and outstanding principal bears an rate of interest of 18% or the maximum rate by Alabama law. Events of default of the promissory note are considered failure to make payments, falsifying records, violation of material provisions of the note or subordinate agreement, bankruptcy, or liquidation.

The note is backed by the City of Foley's execution and delivery of a Funding Agreement or Pledge Agreement with respect to the unconditional obligation of the City to repay the debt in the event of nonpayment by the CAFFM. In the event of default of the funding agreement, all obligations outstanding shall immediately become due and payable without demand, presentment, protest or other notice of any kind. Events of default of the funding agreement are considered failure to pay, insolvency by CAFFM or the City of Foley, failure to perform or observe provisions of security or other agreement/document evidencing or creating any security for payment of the Note, or any deterioration of the financial conditional of either entity.

The warrants, bonds and notes payable as of September 30, 2020, were as follows:

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Governmental Activities

\$11,460,000 Series 2006A, General Obligation Warrants; due in semi-annual installments from \$280,000 to \$510,000 plus monthly interest at .9%; final maturity in 2020.	\$ 510,000
\$16,805,000 Series 2014, General Obligation Warrants; due in annual installments from \$305,000 to \$1,050,000 plus semi-annual interest varying from 2% to 4%; final maturity in 2039.	11,010,000
\$3,440,000 Series 2015, General Obligation Warrants, due in annual installments from \$285,000 to \$410,000 plus semi-annual interest of 5%; final maturity in 2025.	1,900,000
\$4,905,000 Series 2019, General Obligation Warrants, due in annual installments from \$45,000 to \$1,210,000 plus semi-annual interest varying from 4% to 5%; final maturity in 2030.	4,905,000
\$9,165,000 Public Facilities Cooperative District Series 2016 Revenue Bonds; due in annual installments from \$60,000 to \$1,540,000 plus semi-annual interest varying from 2% to 4%; final maturity in 2030.	8,915,000
\$13,000,000 Public Athletic & Sports Facilities Cooperative District Series 2015 Revenue Bonds, due in annual installments from \$60,000 to \$910,000 plus semi-annual interest varying from 3% to 4%; final maturity in 2045.	13,000,000
\$15,285,000 Public Cultural & Entertainment Facilities Cooperative District Series 2015 Revenue Bonds, due in annual installments from \$305,000 to \$875,000 plus semi-annual interest varying from 2% to 5%; final maturity in 2045.	14,030,000
\$2,975,000 Series 2013, Qualified Energy Conservation Bond; due in semi-annual installments from \$75,000 to \$235,000; plus semi-annual interest varying from 1.2% to 4.2%; final maturity in 2033.	2,320,000
\$350,000 Non-interest Bearing Note Payable; due in monthly installments of \$2,917; final maturity in 2024.	113,750
\$1,200,000 Series 2014-CB, General Obligation Warrants; due in monthly installments of \$18,583, which includes monthly interest with an effective rate of 3%; final maturity in 2021.	110,837
\$1,500,000 Series 2016, General Obligation Warrants, Closed Line of Credit with Merchant & Marine Bank; funds were available for draw through November 2017 with monthly interest payments of 2.00% of the outstanding balance; principal and interest payments in the amount of \$42,981 began monthly in December 2017 with an interest rate of 2.00%; final maturity in 2032.	42,655
Total Governmental Activities	56,857,242

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Business-Type Activities

\$8,000,000 Qualified Low Income Business Loan; due in quarterly installments from \$78,963 to \$99,603 plus quarterly interest at 1.045%; interest only payment at 1.045% are due quarterly for the first seven years; final maturity in 2043. 8,000,000

\$1,400,000 Closed Line of Credit with United Bank; funds were available for draw through January 2017 with monthly interest payments of 2.94% of the outstanding balance; principal and interest payments begin monthly in February 2017 with an interest rate of 3.60%; final maturity in 2032. 682,954

Total Business-Type Activities 8,682,954

Grand Total Long-Term Debt \$ 65,540,196

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

Warrants, Bonds and Notes Payable:

Year Ending September 30,	Governmental Activities					
	General Obligation Warrants & Special Revenue Bonds			Notes from Direct Borrowing and Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 3,410,000	\$ 2,149,062	\$ 5,559,062	\$ 298,492	\$ 90,528	\$ 389,020
2022	2,430,000	1,999,650	4,429,650	150,000	85,918	235,918
2023	2,545,000	1,883,795	4,428,795	155,000	82,618	237,618
2024	2,665,000	1,758,690	4,423,690	168,750	76,058	244,808
2025	2,760,000	1,664,640	4,424,640	170,000	69,088	239,088
2026 to 2030	15,355,000	6,775,808	22,130,808	960,000	229,928	1,189,928
2031 to 2035	8,830,000	4,406,996	13,236,996	685,000	34,744	719,744
2036 to 2040	8,075,000	2,753,276	10,828,276	-	-	-
2041 to 2045	8,200,000	1,135,796	9,335,796	-	-	-
2046 to 2050	-	-	-	-	-	-
	<u>\$ 54,270,000</u>	<u>\$ 24,527,713</u>	<u>\$ 78,797,713</u>	<u>\$ 2,587,242</u>	<u>\$ 668,882</u>	<u>\$ 3,256,124</u>

Year Ending September 30,	Business Type Activities		
	Notes from Direct Borrowing and Direct Placement		
	Principal	Interest	Total
2021	\$ 127,952	\$ 107,641	\$ 235,593
2022	368,731	103,750	472,481
2023	373,950	98,531	472,481
2024	379,225	93,246	472,471
2025	384,710	87,766	472,476
2026 to 2030	2,009,020	353,365	2,362,385
2031 to 2035	1,885,871	216,870	2,102,741
2036 to 2040	1,878,707	118,557	1,997,264
2041 to 2045	1,274,788	23,439	1,298,227
	<u>\$ 8,682,954</u>	<u>\$ 1,203,165</u>	<u>\$ 9,886,119</u>

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

	Principal Balance 10/1/19	Additions	Reductions	Principal Balance 9/30/20	Due Within One Year
Governmental Activities					
General Obligation Warrants & Special Revenue Bonds					
2006 General Oblig Warrants	\$ 1,510,000	\$ -	\$ (1,000,000)	\$ 510,000	\$ 510,000
2014 General Oblig Warrants	12,010,000	-	(1,000,000)	11,010,000	1,050,000
2015 General Oblig Warrants	2,240,000	-	(340,000)	1,900,000	355,000
2019 General Oblig Warrants	4,905,000	-	-	4,905,000	1,095,000
2016 PFCD Revenue Bonds	8,980,000	-	(65,000)	8,915,000	65,000
2015 PASFCD Revenue Bond Series	13,000,000	-	-	13,000,000	-
2015 PCEFCFCD Revenue Bond Series	14,355,000	-	(325,000)	14,030,000	335,000
Bond premiums	3,012,100	-	(222,096)	2,790,004	-
Bond discounts	(301,809)	-	13,447	(288,362)	-
Direct Borrowing & Direct Placements					
2013 Qualified Energy Conservation Bond	2,425,000	-	(105,000)	2,320,000	110,000
2017 Riviera Utilities - Event center parking lights	195,380	-	(195,380)	-	-
ADECA ESCO Funding	148,750	-	(35,000)	113,750	35,000
2014-CB General Oblig Warrants McKenzie	325,478	-	(214,641)	110,837	110,837
2016 General Oblig-UTC Line of Credit	553,398	-	(510,743)	42,655	42,655
Total warrants, bonds, and loans, net	63,358,297	-	(3,999,413)	59,358,884	3,708,492
Capital leases	18,964	-	(11,374)	7,590	7,329
Interest	746,966	2,347,072	(2,348,445)	745,593	745,593
Health claims payable	193,700	3,529,166	(3,508,866)	214,000	214,000
Compensated absences	977,576	888,747	(758,432)	1,107,891	443,156
Post employment health care obligation	4,921,595	1,896,518	-	6,818,113	-
Net pension liability-ERSA	5,888,342	2,520,986	(1,243,293)	7,166,035	-
Total pension liability-Volunteer firefighter-LOSAP	424,203	82,029	-	506,232	-
Long-term liabilities from gov activities	\$ 76,529,643	\$ 11,264,518	\$ (11,869,823)	\$ 75,924,338	\$ 5,118,570
Business-Type Activities					
Direct Borrowing & Direct Placements					
Qualified low income business loan	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ 78,963
United Bank loan	1,123,296	-	(440,342)	682,954	48,989
Long-term liabilities from bus-type activities	9,123,296	-	(440,342)	8,682,954	127,952
Grand Total Long-Term Liabilities	\$ 85,652,939	\$ 11,264,518	\$ (12,310,165)	\$ 84,607,292	\$ 5,246,522

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

NOTE F. CAPITAL LEASE OBLIGATION

At September 30, 2020, all leased equipment had a cost of \$32,031 and accumulated amortization of \$25,091. Amortization of leased assets is included in depreciation expense. Future minimum lease payments together with the present value of the minimum lease payments are as follows:

Year ended September 30:	
2021	\$ 7,669
2022	639
Total Minimum lease payments	8,308
Amount representing interest expense	718
Present value of minimum lease payments	<u>\$ 7,590</u>

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE G. INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 674,374	\$ -
Capital Projects Fund	-	267,454
Public Facilities Cooperative District	-	327,077
Non-Major Funds	76,709	156,552
Total	<u>\$ 751,083</u>	<u>\$ 751,083</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE H. INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2020, were as follows:

Transfers to other funds					
Fund	Operations	Debt Service	Economic Development	Capital Projects	Total
General Fund	\$ 563,161	\$ 5,918,701	\$ -	\$ 2,157,115	\$ 8,638,977
Public Facilities Cooperative District	59,504	-	1,920,368	-	1,979,872
Non-Major Funds	142,262	-	299,106	-	441,368
Total	<u>\$ 764,927</u>	<u>\$ 5,918,701</u>	<u>\$ 2,219,474</u>	<u>\$ 2,157,115</u>	<u>\$ 11,060,217</u>

Transfers from the General Fund consisted of \$563,161 to fund operating cost in the Recreation Activities Fund, Foley Sports Tourism Event Center Operations, Multi-Use Fields Operations, and insurance cost in the PASFCD and PCEFCFCD Funds; \$5,918,701 to fund debt service cost in various funds; and \$2,157,115 in capital improvements in the Capital Projects Fund. Transfers from the PFCD consisted of \$59,504 to CAFFM to fund operations and \$1,920,368 in project user fees that were transferred to the General Fund. Non-Major Funds transfers consisted of \$80,000 from the Gas Tax Fund, \$140,000 from the Recreation Fund, and \$2,212 from the Library Fund to assist the General Fund in various projects and \$50 from the 2009 debt service fund; \$299,106 from the PASFCD and PCEFCFCD in project user fees that were transferred to the General Fund.

Transfers from Other Funds					
Fund	Operations	Debt Service	Economic Development	Capital Projects	Total
General Fund	\$ 142,262	\$ -	\$ 2,219,474	\$ -	\$ 2,361,736
Capital Projects Fund	-	-	-	2,157,115	2,157,115
Public Facilities Cooperative District	-	328,809	-	-	328,809
CAFFM, Inc.	59,504	-	-	-	59,504
Non-Major Funds	563,161	5,589,892	-	-	6,153,053
Total	<u>\$ 764,927</u>	<u>\$ 5,918,701</u>	<u>\$ 2,219,474</u>	<u>\$ 2,157,115</u>	<u>\$ 11,060,217</u>

Transfers to the General Fund consisted of \$140,000 from the Gas Tax Fund, \$2,212 from the Library Fund to assist the General Fund in various projects and \$50 from the 2009 debt service fund; and \$2,219,474 in project user fees from the Cooperative Districts. The Capital Projects Fund received transfers of \$2,157,115 from the General Fund. The PFCD

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

received a transfer to fund debt service the General Fund in the amount of \$328,809. CAFFM, Inc. received a transfer of \$59,504 from the PFCD to help fund operating cost. Non-Major Funds transfers consisted of transfers from the General Fund to assist the following funds in operations, \$276,277 to the Event Center Operations Fund, \$276,505 to the Multi-Use Fields Operations Fund, \$6,064 to the Recreation Activities Fund, \$2,660 the PASFCD and \$1,655 to the PCEFCD; Debt service transfers consisted of \$5,589,892 from the General Fund to various non-major funds

NOTE I. FUND BALANCE CONSTRAINTS

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

	General Fund	Capital Projects Fund	Public Facilities Coop District	Non-Major Funds	Total
Fund Balances:					
Non-Spendable:					
Inventory	\$ 34,796	\$ -	\$ -	\$ -	\$ 34,796
Long-term note receivable	5,570,579	-	-	-	5,570,579
Prepaid items	248,293	-	-	-	248,293
Total Non-Spendable	5,853,668	-	-	-	5,853,668
Restricted:					
Debt service reserves	-	-	1,024,416	1,471,642	2,496,058
Creditors (NMTC Reserves)	-	-	532,191	-	532,191
Police	39,916	-	-	191,416	231,332
Fire	-	-	-	464,356	464,356
Court	332,424	-	-	73,934	406,358
Highways and streets	-	-	-	75,757	75,757
Total Restricted	372,340	-	1,556,607	2,277,105	4,206,052
Committed:					
Economic development	-	-	23,025	-	23,025
Capital projects	-	8,648	-	-	8,648
Culture and recreation	-	-	-	71,491	71,491
Total Committed	-	8,648	23,025	71,491	103,164
Assigned:					
Culture and recreation	43,331	-	-	-	43,331
Fire	276,725	-	-	-	276,725
Future budget shortfalls	521,985	-	-	-	521,985
Total Assigned	842,041	-	-	-	842,041
Unassigned:	17,041,142	-	-	92,429	17,133,571
Total Fund Balances	\$ 24,109,191	\$ 8,648	\$ 1,579,632	\$ 2,441,025	\$ 28,138,496

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE J. LEASES

City of Foley:

The City has lease arrangements that are considered immaterial or are related to economic development and therefore are not subject to GASB 72 and fair value measurement each year.

Coastal Alabama Farmers' and Fishermen's Market, Inc.:

Lessor - Gulf Coast Produce/City Produce leases 20,000 square feet of space in the CAFFM Wholesale Distribution Building, also known as the Peavey Building. The lease began on October 20, 2014, and is based on a tiered price per square foot plus \$1,000 for insurance and common area maintenance (CAM). Insurance and common area maintenance are capped at \$12,000 per year for years 1-10. *For years 11-20, the tenant's share of the actual cost of insurance and common area maintenance are to be recovered.

Initial Term	Price Per Square Foot	Monthly Base Rent	Monthly Ins/CAM	Annual Amount
Lease Years 1-2	\$ 5.00	\$ 8,333.00	\$ 1,000.00	\$ 112,000.00
Lease Years 3-5	\$ 6.54	\$ 10,900.00	\$ 1,000.00	\$ 142,800.00
Lease Years 6-10	\$ 7.04	\$ 11,733.00	\$ 1,000.00	\$ 152,800.00
First Option Period - Lease Years 11-15	\$ 7.54	\$ 12,567.00	\$ 1,000.00	* \$ 162,800.00
Second Option Period - Lease Years 16-20	\$ 7.92	\$ 13,200.00	\$ 1,000.00	* \$ 170,400.00

Lessor - Forland Family Market occupies 5,980 square feet in the Retail Building located next to the Farmers' and Fishermen's Market. The monthly lease began on April 10, 2015, and is based on a tiered price per square foot plus \$.50 per square foot for insurance and \$1.00 per square foot for common area maintenance (CAM) for years 1-7. *There is a ten percent cap from the previous year's amount charged for insurance and common area maintenance in year's 8-20.

Initial Term	Price Per Square Foot	Monthly Base Rent	Monthly Ins/CAM	Annual Amount
Lease Years 1-3	\$ 6.50	\$ 3,239.17	\$ 747.50	\$ 47,840.00
Lease Years 4-7	\$ 7.00	\$ 3,488.33	\$ 747.50	\$ 50,830.00
Lease Years 8-10	\$ 8.00	\$ 3,737.50	\$ 747.50	\$ 53,820.00
Lease Years 11-15	\$ 8.00	\$ 3,986.67	\$ 747.50	* \$ 56,810.00
Lease Years 16-20	\$ 8.50	\$ 4,235.84	\$ 747.50	* \$ 59,800.00

Lessor - Moe's Original BBQ of Foley occupies 3,510 square feet in the Retail Building located next to the Farmers' and Fishermen's Market. The monthly lease began on April 10, 2015, and is based on a tiered price per square foot plus \$.50 per square foot for insurance and \$1.00 per square foot for common area maintenance (CAM) for years 1-7. *There is a ten percent cap from the previous year's amount charged for insurance and common area maintenance in years 8-15.

Initial Term	Price Per Square Foot	Monthly Base Rent	Monthly Ins/CAM	Annual Amount
Lease Years 1-3	\$ 11.00	\$ 3,217.50	\$ 438.75	\$ 43,875.00
Lease Years 4-7	\$ 12.00	\$ 3,510.00	\$ 438.75	\$ 47,385.00
Lease Years 8-10	\$ 13.44	\$ 3,931.20	\$ 438.75	* \$ 52,439.40
First Option Period - Lease Years 11-15	\$ 14.88	\$ 4,352.40	\$ 438.75	* \$ 57,493.80

Lessor- On March 3, 2016, Bon Secour Valley, Inc. began occupying 10,000 square feet in the Peavey Building for \$1,250 per month. At the tenant's request, the CAFFM Board granted a six month extension to the start date of lease payments on an additional 30,000 square feet through a lease amendment. The amendment allows one six-month extension. Subsequently, a second lease amendment extended the

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

lease payments until May 3, 2019, and added an additional guarantor. The monthly lease is based on a tiered price per square foot plus \$6,000 per year for insurance and \$6,000 per year for common area maintenance (CAM) for years 1 through 6. The tenant is paying CAFFM approximately \$9,948 per month as repayment for tenant build out costs totaling \$1.3M at 3.6 percent for fifteen years. The lease was terminated on June 17, 2020 and a one-time payment of \$375,000 was received towards the tenant build out loan.

Initial Term	Price Per Square Foot	Monthly Base Rent	Monthly Ins/CAM	Monthly Additional Improvement Rent	Annual Amount
Lease Years 1-3	\$ 1.50	\$ 5,000.00	\$ 1,000.00	\$ 9,947.50	\$ 191,370.00
Lease Years 4-6	\$ 2.75	\$ 9,166.67	\$ 1,000.00	\$ 9,947.50	\$ 241,370.00
Lease Years 7-10	\$ 3.00	\$ 10,000.00	\$ 1,000.00	\$ 9,947.50	\$ 251,370.00
Lease Years 11-15	\$ 3.50	\$ 11,666.67	\$ 1,000.00	\$ 9,947.50	\$ 271,370.00

Lessor- On June 17, 2020, Oscity, LLC began leasing the space at the Peavey Building formerly leased by BSVI, Inc. as well as the unleased center section of the building. The Lease contains an option to purchase the entire building for \$3,400,000.00 via written notice not less than one hundred twenty days before the expiration of the Term of the Lease. *The Tenant was granted a six month deferral on the start date of the Monthly Base Rent.

Initial Term	Price Per Square Foot	Monthly Base Rent	Monthly Ins/CAM	Annual Amount
*June 17, 2020 through January 9, 2022	\$ 2.75	\$ 9,366.25	\$ -	
*June 17, 2020 thorough January 9, 2022	\$ 2.00	\$ 5,475.00	\$ -	
June 17, 2020 thorough January 9, 2022			\$ 1,000.00	\$ 190,095.00

Returns above the cost to maintain the facilities being leased by CAFFM are reinvested to achieve the purpose of the non-profit; to provide a regular forum for members of the community to learn about sustainable farming and fishing practices, organic food growth and preparation and other projects for education of the community. These leases are not investments that are subject to GASB 72 and fair value measurement each year.

NOTE K. RISK MANAGEMENT AND SELF-INSURED HEALTH INSURANCE

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

In 2009, the City established a self-funded health plan for its employees. A third-party administrator is responsible for the approval, processing, and payment of claims. The City is responsible for a monthly administrative fee. The City pays 100 percent of employee and covered dependent(s) health, vision, hearing, prescription drugs, and dental claims cost at no premium cost to the employee. Employees who elect family coverage are required to pay a portion of the premium. Claims paid by the City are charged to the various departments where each employee works. Medical claims exceeding \$60,000 per covered individual, per year, are covered through a private insurance carrier.

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
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	2020	2019
Unpaid claims, beginning of year	\$ 193,700	\$ 185,000
Incurring claims, including change in IBNR provision	3,529,166	3,200,572
Claims payments	(3,508,866)	(3,191,872)
Unpaid claims, end of year	<u>\$ 214,000</u>	<u>\$ 193,700</u>

NOTE L . PENSION PLANS

1. Employee Retirement Systems of Alabama

General Information about the Pension Plan

Plan description. The City participates in the Employees' Retirement System of Alabama (ERSA), an agent multiple employer plan, that was established under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, state police, and, on an elective basis, to all cities, counties, towns and quasi-public organizations. Assets of the ERS are pooled for investment purposes. However, separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of its employees only. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees, including the Governor, State Treasurer, State Personnel Director and State Director of Finance as ex officio members, three vested members of ERS appointed by the Governor, and six members of ERS elected by members.

The Plan had approximately 93,986 participants from approximately 907 local participating employers as of September 20, 2019, and is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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

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

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

Employees are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Pre-retirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status and eligibility for retirement.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

	Number
Retired Members or Their Beneficiaries Currently Receiving Benefits	61
Vested Inactive Members	3
Non-vested Inactive Members	24
Active Members	313
Total	401

Contributions. Tier 1 covered members of the ERS contribute 5 percent of earnable compensation with the exception of certified law enforcement, correctional officers and firefighters who contribute 6 percent. Tier 2 covered members contribute 6 percent of earnable compensation with the exception of certified law enforcement, correctional officers, and firefighters who contribute 7 percent of earnable compensation. The ERS establishes employer rates based on an actuarial determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2020, the City's covered payroll was \$15,870,132. The City's active employee contribution rate was 5.72 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 6.21 percent of covered payroll.

The City's contractually required contribution rate for the year ended September 30, 2020, was 7.46 percent of pensionable pay for Tier 1 employees, and 4.47 percent of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2017, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$985,338 for the year ended September 30, 2020.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018, rolled forward to September 30, 2019, using standard roll-forward techniques.

Actuarial assumptions. The total pension liability in the September 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.25% - 5.00%
Investment rate of return*	7.70 percent

*Net of pension plan investment expense

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125 percent at all ages for males and 120 percent for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Mortality Table Projected with Scale BB to 2020 with an adjustment of 130 percent at all ages for females.

The actuarial assumptions used in the September 30, 2018, valuation were based on the results of an actuarial experience study for the period October 1, 2010 - September 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan

City of Foley, Alabama
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investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	17.0%	4.4%
U.S. Large Stocks	32.0%	8.0%
U.S. Mid Stocks	9.0%	10.0%
U.S. Small Stocks	4.0%	11.0%
International Developed Market Stocks	12.0%	9.5%
International Emerging Market Stocks	3.0%	11.0%
Alternatives	10.0%	10.1%
Real Estate	10.0%	7.50%
Cash Equivalents	3.0%	1.50%
Total	100.00%	

* includes assumed rate of inflation of 2.75 percent.

Discount rate. The discount rate used to measure the total pension liability at September 30, 2019 was the long term rate of return, 7.70 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the rates currently in effect and that employer contributions will be made in accordance with the funding policy adopted by the Board of Control. Projected future benefit payments for all current plan members were projected for all years.

Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount rate.

Changes in Net Pension Liability:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 36,066,057	30,177,715	\$ 5,888,342
Changes for the year:			
Service cost	1,229,255	-	1,229,255
Interest	2,725,193	-	2,725,193
Changes of assumptions	-	-	-
Differences between expected and actual experience	(82,074)	-	(82,074)
Contributions - employer	-	934,633	(934,633)
Contributions - employee	-	879,204	(879,204)
Net investment income	-	780,844	(780,844)
Benefit payments, including refunds of employee contributions	(1,347,875)	(1,347,875)	-
Administrative expense	-	-	-
Transfers among Employers	(3,513)	(3,513)	-
Net changes	2,520,986	1,243,293	1,277,693
Balances at September 30, 2019	\$ 38,587,043	\$ 31,421,008	\$ 7,166,035

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the City's net pension liability calculated using the discount rate of 7.70 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70 percent) or 1-percentage-point higher (8.70 percent) than the current rate:

	1% Decrease 6.70%	Current Rate 7.70%	1% Increase 8.70%
City's net pension liability (asset)	\$ 12,475,921	\$ 7,166,035	\$ 2,732,969

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2019. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2019. The auditor's report dated August 27, 2020, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

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

For the year ended September 30, 2020, the City recognized pension expenditures of \$985,338 in the fund level financial statements, and pension expense of \$1,375,004 in the government-wide financial statements. The deferred outflows of resources related to the pension plan, totaling \$985,338 resulting from the City's contributions to the plan subsequent to the measurement date (September 30, 2019), will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,717,028	\$ 72,418
Changes in assumptions	869,691	-
Net difference between projected and actual earnings on plan investments	423,749	-
Employer contributions subsequent to measurement date	985,338	-
Totals	<u>\$ 3,995,806</u>	<u>\$ 72,418</u>

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

Year ended September 30:

2021	\$ 396,766
2022	490,093
2023	732,249
2024	742,349
2025	311,634
Thereafter	264,959

2. Volunteer Firefighter LOSAP

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

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

The plan had 35 participants as of the plan year ended June 30, 2020, consisting of 9 active, 24 vested-terminated, and 2 retired participants.

Total Pension Liability. There are no assets accumulated in a trust that meets the criteria to permit a netting of assets against the liability. The City's total pension liability was measured as of June 30, 2020, determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard roll-forward techniques.

Actuarial assumptions. The total pension liability as of June 30, 2019, rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	0 %
Salary increases	Not applicable
Investment rate of return	2.45% percent, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2019 actuarial valuation report.

Changes in the Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at July 1, 2019	\$ 424,203	\$ -	\$ 424,203
Changes for the year:			
Service cost	10,317	-	10,317
Interest	10,312	-	10,312
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,647	-	1,647
Changes of assumptions	68,969	-	68,969
Benefit payment and expenses	(9,216)	-	(9,216)
Net Changes	82,029	-	82,029
Balances at June 30, 2020	\$ 506,232	\$ -	\$ 506,232

Sensitivity of the total pension liability to changes in the discount rate. The following table represents the City's total pension liability calculated using the discount rate of 2.45 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.45 percent) or 1-percentage point higher (3.45 percent) than the current rate:

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

	1% Decrease 1.45%	Current Rate 2.45%	1% Increase 3.45%
City's total pension liability	\$ 541,891	\$ 506,232	\$ 469,772

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

For the year ended September 30, 2020, the City recognized pension expenditures of \$8,598 in the fund level financial statements, and pension expense of \$30,442 in the government-wide financial statements. At June 30, 2020, the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,235	\$ 9,991
Changes in assumptions	72,156	13,260
Total	\$ 73,391	\$ 23,251

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

Year ended September 30:

2021	\$ 10,429
2022	22,057
2023	17,654
2024	-
2025	-
Thereafter	-

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

For the year ended September 30, 2020, the City recognized an aggregate pension expenditures of \$993,936 in the fund level financial statements, and pension expense of \$1,405,446 in the government-wide financial statements. The following table represents an aggregate deferred outflows of resources, deferred inflows of resources and pension liabilities for all pension plans.

Deferred Outflows of Resources	ERSA	LOSAP	Total
Difference between expected and actual experience	\$ 1,717,028	\$ 1,235	\$ 1,718,263
Changes of assumptions	869,691	72,156	941,847
Net difference between projected and actual earnings	423,749	-	423,749
Employer retirement contributions subsequent to measurement date	985,338	-	985,338
Total Deferred Outflows of Resources	\$ 3,995,806	\$ 73,391	\$ 4,069,197
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 72,418	\$ 9,991	\$ 82,409
Changes of assumptions	-	13,260	13,260
Total Deferred Inflows of Resources	\$ 72,418	\$ 23,251	\$ 95,669

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Pension Liabilities

ERSA-Net Pension Liability	\$ 7,166,035	\$ -	\$ 7,166,035
Volunteer Firefighter LOSAP - Total Pension Liability	-	506,232	506,232
Total Pension Liabilities	\$ 7,166,035	\$ 506,232	\$ 7,672,267

NOTE M. POST EMPLOYMENT HEALTH CARE BENEFITS

General Information about the OPEB Plan

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

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

The following table summarizes active and retiree demographic information for the medical plan as of September 30, 2020.

Status	Employee Only	Employee & Family	Total
Active	101	196	297
Retired	6	8	14
Total	107	204	311

Total OPEB Liability

The City's total OPEB liability of \$6,818,113 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

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

Inflation	3.0 percent
Salary increases	3.5 percent
Discount Rate	2.25 percent
Healthcare cost trend rates	For medical: 4.5 percent. For dental: 3.0 percent
Retirees' share of benefit-related costs	The retiree pays the full contribution rate for medical, vision and dental coverage. The City pays all retiree claims from a self-funded health plan.

The discount rate was based on published bond buyer GO-20 bond index.

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2019 - September 30, 2020.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances October 1, 2019	\$ 4,921,595	\$ -	\$ 4,921,595
Changes for the year:			
Service cost	213,484	-	213,484
Interest cost	133,163	-	133,163
Differences between expected and actual experience	571,714	-	571,714
Changes in assumptions	1,236,042	-	1,236,042
Benefit payments	(257,885)	-	(257,885)
Net change in total OPEB liability	1,896,518	-	1,896,518
Total OPEB liability September 30, 2020	\$ 6,818,113	\$ -	\$ 6,818,113

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 7,656,719	\$ 6,818,113	\$ 6,079,767

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

	1% Decrease 3.50%	Healthcare Cost Trend Rates 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 5,801,825	\$ 6,818,113	\$ 8,036,204

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

For the year ended September 30, 2020, the City recognized OPEB expenditures of \$202,122 in the fund level financial statements, and OPEB expense of \$563,136 in the government-wide financial statements. Other amounts reported as deferred outflows of resources related to the OPEB will be recognized in OPEB expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 485,612	\$ -
Changes in assumptions	1,049,892	-
Totals	\$ 1,535,504	\$ -

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

Year ended September 30:	
2021	\$ 272,252
2022	272,252
2023	272,252
2024	272,252
2025	272,252
Thereafter	174,244

NOTE N. DEFERRED COMPENSATION PLANS

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

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

NOTE O. TAX ABATEMENTS

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

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

Company	Abatement Began	FY 2020 Ad-Valorem	Total Ad-Valorem	FY 2020 Sales & Use	Total Sales & Use
Foley Holdings LLC	2017	\$ 84,464	\$ 257,640	\$ 69,216	\$ 1,572,262

City of Foley, Alabama
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

Company	Abatement Began	FY 2020 Ad-Valorem	Total Ad-Valorem	FY 2020 Sales & Use	Total Sales & Use
Vulcan, Inc	2007	\$ 9,424	\$ 129,285	\$ -	\$ -
Ascend Performance Materials	2011	815	141,938	-	-
Rohr, Inc (UTC)/Collins Aerospace	2016	21,474	49,493	-	121,130
Totals abated by the IDB		<u>\$ 31,713</u>	<u>\$ 320,716</u>	<u>\$ -</u>	<u>\$ 121,130</u>

NOTE P. COMMITMENTS AND CONTINGENCIES

The City's Capital Projects Fund had various capital improvement projects in progress at September 30, 2020. In addition, the City has commitments and plans for additional major capital projects for the fiscal year September 30, 2021, and the projected cost of these projects is estimated by management to be approximately \$11.4 million. The City expects to receive partial funding of approximately \$5.3 million for these projects from third parties in the form of grants and joint participation reimbursements in 2021.

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

NOTE Q. ECONOMIC DEPENDENCY

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

NOTE R. SUBSEQUENT EVENTS

The City has evaluated events and transactions that occurred between September 30, 2020, and January 22, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

On November 12, 2020, the City drew \$3,500,000 on the General Obligation Series 2020 Emergency Line of Credit to fund the debris clean-up cost from Hurricane Sally. As of the report date, the total debris clean-up cost incurred by the City is approximately \$12,370,000 of which \$9,880,000 occurred subsequent to year end.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Foley, Alabama
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and advalorem taxes	\$ 1,697,382	\$ 1,697,382	\$ 1,682,132	\$ (15,250)
Sales and other local taxes	30,658,550	30,658,550	29,383,081	(1,275,469)
Licenses and permits	3,625,500	3,625,500	4,229,647	604,147
Intergovernmental	315,950	4,676,805	658,407	(4,018,398)
Charges for services	3,009,340	3,009,340	2,967,401	(41,939)
Fines and forfeitures	495,400	495,400	482,871	(12,529)
Franchise Fees	7,632,000	7,632,000	7,845,678	213,678
Interest and rents	335,134	335,134	278,069	(57,065)
Contributions and donations	28,400	37,082	29,259	(7,823)
Other	238,080	370,477	417,051	46,574
Total revenues	<u>48,035,736</u>	<u>52,537,670</u>	<u>47,973,596</u>	<u>(4,564,074)</u>
Expenditures				
Current:				
Personnel	23,358,477	23,415,549	23,550,215	(134,666)
Operating	10,179,358	15,099,652	11,756,471	3,343,181
Capital outlay	2,397,802	2,412,090	2,184,243	227,847
Debt Service:				
Principal	71,924	207,759	206,754	1,005
Interest	17,595	8,358	6,405	1,953
Total expenditures	<u>36,025,156</u>	<u>41,143,408</u>	<u>37,704,088</u>	<u>3,439,320</u>
Excess (deficiency) of revenues over expenditures	<u>12,010,580</u>	<u>11,394,262</u>	<u>10,269,508</u>	<u>(1,124,754)</u>
Other financing sources (uses)				
Transfers in	3,012,400	3,018,451	2,361,736	(656,715)
Transfers out	(11,344,008)	(11,353,439)	(8,638,977)	2,714,462
Total other financing sources (uses)	<u>(8,331,608)</u>	<u>(8,334,988)</u>	<u>(6,277,241)</u>	<u>2,057,747</u>
Net change in fund balance	<u>3,678,972</u>	<u>3,059,274</u>	<u>3,992,267</u>	<u>932,993</u>
Fund balances, beginning of year	<u>20,116,924</u>	<u>20,116,924</u>	<u>20,116,924</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,795,896</u>	<u>\$ 23,176,198</u>	<u>\$ 24,109,191</u>	<u>\$ 932,993</u>

See the accompanying notes to required supplemental information.

City of Foley, Alabama
PUBLIC FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest and rents	\$ 106,504	\$ 106,504	\$ 70,834	\$ (35,670)
Other	2,399,900	2,399,900	1,921,291	(478,609)
Total revenues	<u>2,506,404</u>	<u>2,506,404</u>	<u>1,992,125</u>	<u>(514,279)</u>
Expenditures				
Current:				
General government	16,800	16,800	8,353	8,447
Debt Service:				
Principal	65,000	65,000	65,000	-
Interest	273,928	273,928	273,928	-
Total expenditures	<u>355,728</u>	<u>355,728</u>	<u>347,281</u>	<u>8,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,150,676</u>	<u>2,150,676</u>	<u>1,644,844</u>	<u>(505,832)</u>
Other financing sources (uses)				
Transfers in	338,928	338,928	328,809	(10,119)
Transfers out	(2,459,404)	(2,459,404)	(1,979,872)	479,532
Total other financing sources (uses)	<u>(2,120,476)</u>	<u>(2,120,476)</u>	<u>(1,651,063)</u>	<u>469,413</u>
Net change in fund balances	30,200	30,200	(6,219)	(36,419)
Fund balances, beginning of year	<u>1,585,851</u>	<u>1,585,851</u>	<u>1,585,851</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 1,616,051</u></u>	<u><u>\$ 1,616,051</u></u>	<u><u>\$ 1,579,632</u></u>	<u><u>\$ (36,419)</u></u>

See accompanying notes to required supplemental information.

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

	Fiscal Year									
	2019	2018	2017	2016 *	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service Cost	\$ 1,229,255	\$ 1,176,722	\$ 1,142,347	\$ 1,048,239	\$ 1,015,471	\$ 973,338	\$ -	\$ -	\$ -	\$ -
Interest	2,725,193	2,446,341	2,240,945	2,003,407	1,796,095	1,640,644	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(82,074)	1,133,625	709,490	327,070	578,204	-	-	-	-	-
Changes in assumptions	-	224,112	-	1,333,139	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,347,875)	(1,097,834)	(983,925)	(843,438)	(753,298)	(588,391)	-	-	-	-
Transfer among employers	(3,513)	68,484	(401,637)	74,665	-	-	-	-	-	-
Net change in total pension liability	2,520,986	3,951,450	2,707,220	3,943,082	2,636,472	2,025,591	-	-	-	-
Total pension liability - beginning	36,066,057	32,114,607	29,407,387	25,464,305	22,827,833	\$ 20,802,242	-	-	-	-
Total pension liability - ending (a)	<u>\$ 38,587,043</u>	<u>\$ 36,066,057</u>	<u>\$ 32,114,607</u>	<u>\$ 29,407,387</u>	<u>\$ 25,464,305</u>	<u>\$ 22,827,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position										
Contributions - employer	934,633	769,462	753,011	748,050	745,009	707,717	-	-	-	-
Contributions - member	879,204	806,690	778,999	707,521	717,586	628,506	-	-	-	-
Net investment income	780,844	2,533,128	3,067,483	2,175,806	243,153	2,116,749	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,347,875)	(1,097,834)	(983,925)	(843,438)	(753,298)	(588,391)	-	-	-	-
Transfers among employers	(3,513)	68,484	(401,637)	74,665	(144,035)	161,202	-	-	-	-
Net change in fiduciary net position	1,243,293	3,079,930	3,213,931	2,862,604	808,415	3,025,783	-	-	-	-
Plan net position - beginning	30,177,715	27,097,785	23,883,854	21,021,250	20,212,835	\$ 17,187,052	-	-	-	-
Plan net position - ending (b)	<u>\$ 31,421,008</u>	<u>\$ 30,177,715</u>	<u>\$ 27,097,785</u>	<u>\$ 23,883,854</u>	<u>\$ 21,021,250</u>	<u>\$ 20,212,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability (asset) - ending (a)-(b)	\$ 7,166,035	\$ 5,888,342	\$ 5,016,822	\$ 5,523,533	\$ 4,443,055	\$ 2,614,998	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total pension liability	81.43%	83.67%	84.38%	81.22%	82.55%	88.54%	-	-	-	-
Covered payroll *	\$ 14,132,751	\$ 13,534,684	\$ 13,630,907	\$ 12,819,969	\$ 11,045,473	[1]	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	50.71%	43.51%	36.80%	43.09%	40.23%	[1]	-	-	-	-

*Employer's covered payroll during the measurement period is the total covered payroll. For FY 2020 the measurement period is October 1, 2018 - September 30, 2019. GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll in FY 2017.

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

[1] Information to calculate covered payroll for this period was unavailable.

See accompanying notes to required supplemental information.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution*	\$ 985,338	\$ 899,820	\$ 769,462	\$ 752,893	\$ 748,050	\$ 745,009	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution*	985,338	899,820	769,462	752,893	748,050	745,009	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll**	\$ 15,870,132	\$ 14,132,751	\$ 13,534,684	\$ 13,630,907	\$ 12,819,969	\$ 11,792,938	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	6.21%	6.37%	5.69%	5.52%	5.84%	6.32%	-	-	-	-

Notes to Schedule

Actuarially determined contributions rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2020 were based on the September 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2019 to September 30, 2020:

<i>Actuarial cost method</i>	<i>Entry Age</i>
<i>Amortization method</i>	<i>Level percent closed</i>
<i>Remaining amortization period</i>	<i>18.6 years</i>
<i>Asset valuation method</i>	<i>Five year smoothed market</i>
<i>Inflation</i>	<i>2.75%</i>
<i>Salary increases</i>	<i>3.25 - 5.00%, including inflation</i>
<i>Investment rate of return</i>	<i>7.75%, net of pension plan investment expense, including inflation</i>

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

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

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

See accompanying notes to required supplemental information.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability										
Service cost	\$ 213,484	\$ 213,484	\$ 213,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	133,163	179,325	179,325	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	571,714	-	-	-	-	-	-	-	-	-
Changes of assumptions or other inputs	1,236,042	-	-	-	-	-	-	-	-	-
Benefit payments	(257,885)	(46,114)	(42,585)	-	-	-	-	-	-	-
Net change in total OPEB liability	1,896,518	346,695	350,224	-	-	-	-	-	-	-
Total OPEB liability-beginning	4,921,595	4,574,900	4,224,676	-	-	-	-	-	-	-
Total OPEB liability-ending	<u>\$ 6,818,113</u>	<u>\$ 4,921,595</u>	<u>\$ 4,574,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 15,020,325	\$ 14,132,751	\$ 13,534,684	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total OPEB liability as a percentage of covered employee payroll	45.39%	34.82%	33.80%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

Changes in benefit terms: None

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

2020	2.25%
2019	4.06%

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

See accompanying notes to required supplemental information.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ 10,317	\$ 9,583	\$ 10,510	\$ 9,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	10,312	11,860	13,778	15,147	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,647	(10,018)	(12,459)	-	-	-	-	-	-	-
Changes in assumptions	68,969	40,859	(4,081)	(58,127)	-	-	-	-	-	-
Payments for benefits and admin. expenses	(9,216)	(10,596)	(10,495)	(10,028)	-	-	-	-	-	-
Net change in total pension liability	82,029	41,688	(2,747)	(43,799)	-	-	-	-	-	-
Total pension liability - beginning	424,203	382,515	385,262	429,061	-	-	-	-	-	-
Total pension liability - ending (a)	<u>\$ 506,232</u>	<u>\$ 424,203</u>	<u>\$ 382,515</u>	<u>\$ 385,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total pension liability	<u>\$ 506,232</u>	<u>\$ 424,203</u>	<u>\$ 382,515</u>	<u>\$ 385,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%	0.00%	0.00%						
Covered-employee payroll	n/a	n/a	n/a	n/a						
Pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a						
Expected average remaining service years for all participants	4	4	5	5						

Notes to Schedule:

Benefit changes: None.

Changes of assumptions: None, other than discount rate.

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

See accompanying notes to required supplemental information.

City of Foley, Alabama
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

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

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

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OTHER SUPPLEMENTARY INFORMATION

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Non-major Governmental Funds

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

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

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

Library Fund – The primary revenues are State Grants which are restricted, donations from Citizens which are restricted, and fines and related revenues which are committed to library purposes and controlled by a Board elected by Council.

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

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

Recreational Activities Fund – Includes revenues and expenses that are a direct result of programs offered, as well as net operations of on premise concessions.

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

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

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

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

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

Capital Project Funds account for various types of financial resources to be used for acquiring or constructing capital facilities.

Community Development Block Grant (CDBG) Infrastructure Fund – to record transactions related to a grant funded sewer project.

City of Foley, Alabama
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2020

	Special Revenue Funds	Debt Service Funds	CDBG Grant Fund	Total Non-Major Governmental Funds
ASSETS				
Cash	\$ 1,508,212	\$ 957,570	\$ 51	\$ 2,465,833
Receivables				
Property and advalorem tax	14,815	-	-	14,815
Sales and other local taxes	15,410	-	-	15,410
Other	26,840	-	-	26,840
Due from other funds	76,709	-	-	76,709
Total assets	<u>\$ 1,641,986</u>	<u>\$ 957,570</u>	<u>\$ 51</u>	<u>\$ 2,599,607</u>
LIABILITIES				
Accounts payable	\$ 2,030	\$ -	\$ -	\$ 2,030
Due to other funds	79,843	76,709	-	156,552
Total liabilities	<u>81,873</u>	<u>76,709</u>	<u>-</u>	<u>158,582</u>
FUND BALANCES				
Restricted	1,396,244	880,861	-	2,277,105
Committed	71,491	-	-	71,491
Unassigned	92,378	-	51	92,429
Total fund balances	<u>1,560,113</u>	<u>880,861</u>	<u>51</u>	<u>2,441,025</u>
Total liabilities and fund balances	<u>\$ 1,641,986</u>	<u>\$ 957,570</u>	<u>\$ 51</u>	<u>\$ 2,599,607</u>

City of Foley, Alabama
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2020

	Special Revenue Funds	Debt Service Funds	CDBG Grant Fund	Total Non-Major Governmental Funds
Revenues				
Property and advalorem taxes	\$ 197,992	\$ -	\$ -	\$ 197,992
Sales and other local taxes	172,321	-	-	172,321
Intergovernmental	33,022	-	-	33,022
Charges for services	118,565	-	-	118,565
Fines and forfeitures	73,924	-	-	73,924
Interest and rents	6,849	9,356	-	16,205
Contributions and donations	41,871	-	-	41,871
Other	336,719	71,349	-	408,068
Total revenues	<u>981,263</u>	<u>80,705</u>	<u>-</u>	<u>1,061,968</u>
Expenditures				
Current:				
General government	40,044	-	-	40,044
Public safety	18,747	-	-	18,747
Highways and streets	27,872	-	-	27,872
Culture and recreation	780,778	-	-	780,778
Capital outlay	521,834	-	-	521,834
Debt service:				
Principal	325,000	3,170,384	-	3,495,384
Interest	1,092,113	976,931	-	2,069,044
Bond cost	-	12,052	-	12,052
Total expenditures	<u>2,806,388</u>	<u>4,159,367</u>	<u>-</u>	<u>6,965,755</u>
Excess (deficiency) of revenues over expenditures	<u>(1,825,125)</u>	<u>(4,078,662)</u>	<u>-</u>	<u>(5,903,787)</u>
Other financing sources (uses)				
Transfers in	1,972,360	4,180,693	-	6,153,053
Transfers out	(441,318)	(50)	-	(441,368)
Total other financing sources (uses)	<u>1,531,042</u>	<u>4,180,643</u>	<u>-</u>	<u>5,711,685</u>
Net change in fund balances	<u>(294,083)</u>	<u>101,981</u>	<u>-</u>	<u>(192,102)</u>
Fund balances, beginning of year	<u>1,854,196</u>	<u>778,880</u>	<u>51</u>	<u>2,633,127</u>
Fund balances, end of year	<u>\$ 1,560,113</u>	<u>\$ 880,861</u>	<u>\$ 51</u>	<u>\$ 2,441,025</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2020

	County Fire Ad Valorem Tax	State Gasoline Tax	Public Library	Court Corrections	Jail Corrections	Recreational Activities	Event Center Operations	Multi-Use Fields Operations	Public Athletic & Sports Facilities Cooperative District	Public Cultural & Entertainment Facilities Cooperative District	Total
ASSETS											
Cash and cash investments	\$ 474,014	\$ 62,376	\$ 67,791	\$ 74,793	\$ 190,859	\$ 3,500	\$ 100	\$ 100	\$ 296,145	\$ 338,534	\$ 1,508,212
Receivables											
Property and advalorem tax	14,815	-	-	-	-	-	-	-	-	-	14,815
Sales and other local taxes	-	15,410	-	-	-	-	-	-	-	-	15,410
Other	-	-	-	-	558	-	-	-	3,099	23,183	26,840
Due from other funds	-	-	-	-	-	-	-	-	-	76,709	76,709
Total assets	<u>\$ 488,829</u>	<u>\$ 77,786</u>	<u>\$ 67,791</u>	<u>\$ 74,793</u>	<u>\$ 191,417</u>	<u>\$ 3,500</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 299,244</u>	<u>\$ 438,426</u>	<u>\$ 1,641,986</u>
LIABILITIES											
Accounts payable	\$ -	\$ 2,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,030
Due to other funds	24,473	-	-	859	-	-	-	-	20	54,491	79,843
Total liabilities	<u>24,473</u>	<u>2,030</u>	<u>-</u>	<u>859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>54,491</u>	<u>81,873</u>
FUND BALANCES											
Restricted	464,356	75,756	-	73,934	191,417	-	-	-	207,084	383,697	1,396,244
Committed	-	-	67,791	-	-	3,500	100	100	-	-	71,491
Unassigned	-	-	-	-	-	-	-	-	92,140	238	92,378
Total fund balances	<u>464,356</u>	<u>75,756</u>	<u>67,791</u>	<u>73,934</u>	<u>191,417</u>	<u>3,500</u>	<u>100</u>	<u>100</u>	<u>299,224</u>	<u>383,935</u>	<u>1,560,113</u>
Total liabilities and fund balances	<u>\$ 488,829</u>	<u>\$ 77,786</u>	<u>\$ 67,791</u>	<u>\$ 74,793</u>	<u>\$ 191,417</u>	<u>\$ 3,500</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 299,244</u>	<u>\$ 438,426</u>	<u>\$ 1,641,986</u>

City of Foley, Alabama
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2020

	County Fire Ad Valorem Tax	State Gasoline Tax	Public Library	Court Corrections	Jail Corrections	Recreational Activities	Event Center Operations	Multi-Use Fields Operations	Public Athletic & Sports Facilities Cooperative District	Public Cultural & Entertainment Facilities Cooperative District	Total
Revenues											
Property and advalorem taxes	\$ 197,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,992
Sales and other local taxes	-	172,321	-	-	-	-	-	-	-	-	172,321
Intergovernmental	-	-	33,022	-	-	-	-	-	-	-	33,022
Charges for services	-	-	6,657	-	7,194	96,863	5,260	2,591	-	-	118,565
Fines and forfeitures	-	-	7,842	39,649	26,433	-	-	-	-	-	73,924
Interest and rents	980	203	193	177	427	-	-	-	1,462	3,407	6,849
Contributions and donations	-	-	16,871	-	-	-	10,000	15,000	-	-	41,871
Other	-	-	-	-	-	-	-	-	37,613	299,106	336,719
Total revenues	198,972	172,524	64,585	39,826	34,054	96,863	15,260	17,591	39,075	302,513	981,263
Expenditures											
Current:											
General government	-	-	-	40,044	-	-	-	-	-	-	40,044
Public safety	18,747	-	-	-	-	-	-	-	-	-	18,747
Highways and streets	-	27,872	-	-	-	-	-	-	-	-	27,872
Culture and recreation	-	-	65,000	-	-	124,908	291,537	295,018	2,660	1,655	780,778
Capital outlay	510,481	-	-	-	11,353	-	-	-	-	-	521,834
Principal	-	-	-	-	-	-	-	-	-	325,000	325,000
Interest	-	-	-	-	-	-	-	-	496,853	595,260	1,092,113
Total expenditures	529,228	27,872	65,000	40,044	11,353	124,908	291,537	295,018	499,513	921,915	2,806,388
Net change in fund balances	(330,256)	144,652	(415)	(218)	22,701	(28,045)	(276,277)	(277,427)	(460,438)	(619,402)	(1,825,125)
Other financing sources:											
Transfers in	-	-	-	-	-	6,064	276,277	276,505	497,078	916,436	1,972,360
Transfers out	-	(140,000)	(2,212)	-	-	-	-	-	-	(299,106)	(441,318)
Total other financing sources	-	(140,000)	(2,212)	-	-	6,064	276,277	276,505	497,078	617,330	1,531,042
Excess (deficiency) of revenues over expenditures	(330,256)	4,652	(2,627)	(218)	22,701	(21,981)	-	(922)	36,640	(2,072)	(294,083)
Fund balances, beginning of year	794,612	71,104	70,418	74,152	168,716	25,481	100	1,022	262,584	386,007	1,854,196
Fund balances, end of year	\$ 464,356	\$ 75,756	\$ 67,791	\$ 73,934	\$ 191,417	\$ 3,500	\$ 100	\$ 100	\$ 299,224	\$ 383,935	\$ 1,560,113

City of Foley, Alabama
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2020

	Energy Conservation Bonds Series 2013	General Obligation Warrants Series 2006A	General Obligation Warrants Series 2009	General Obligation Warrants Series 2014	General Obligation Warrants Series 2015	General Obligation Warrants Series 2019	Economic Incentives Fund	Total
ASSETS								
Cash	\$ 82,688	\$ -	\$ -	\$ 499,081	\$ 187,595	\$ 188,106	\$ 100	\$ 957,570
Total assets	<u>\$ 82,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,081</u>	<u>\$ 187,595</u>	<u>\$ 188,106</u>	<u>\$ 100</u>	<u>\$ 957,570</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,709	\$ -	\$ 76,709
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,709</u>	<u>-</u>	<u>76,709</u>
FUND BALANCE								
Restricted	82,688	-	-	499,081	187,595	111,397	100	880,861
Total fund balances	<u>82,688</u>	<u>-</u>	<u>-</u>	<u>499,081</u>	<u>187,595</u>	<u>111,397</u>	<u>100</u>	<u>880,861</u>
Total liabilities and fund balances	<u>\$ 82,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,081</u>	<u>\$ 187,595</u>	<u>\$ 188,106</u>	<u>\$ 100</u>	<u>\$ 957,570</u>

City of Foley, Alabama
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2020

	Energy Conservation Bonds Series 2013	General Obligation Warrants Series 2006A	General Obligation Warrants Series 2009	General Obligation Warrants Series 2014	General Obligation Warrants Series 2015	General Obligation Warrants Series 2019	Economic Incentives Fund	Totals
Revenues								
Interest and rents	\$ 605	\$ -	\$ 50	\$ 6,180	\$ 2,195	\$ 326	\$ -	\$ 9,356
Other	71,349	-	-	-	-	-	-	71,349
Total revenues	<u>71,954</u>	<u>-</u>	<u>50</u>	<u>6,180</u>	<u>2,195</u>	<u>326</u>	<u>-</u>	<u>80,705</u>
Expenditures								
Current								
Debt service:								
Principal	105,000	1,000,000	-	1,000,000	340,000	-	725,384	3,170,384
Interest	93,549	36,099	-	496,929	112,000	224,962	13,392	976,931
Bond cost	-	12,052	-	-	-	-	-	12,052
Total expenditures	<u>198,549</u>	<u>1,048,151</u>	<u>-</u>	<u>1,496,929</u>	<u>452,000</u>	<u>224,962</u>	<u>738,776</u>	<u>4,159,367</u>
Excess (deficiency) of revenues over expenditures	<u>(126,595)</u>	<u>(1,048,151)</u>	<u>50</u>	<u>(1,490,749)</u>	<u>(449,805)</u>	<u>(224,636)</u>	<u>(738,776)</u>	<u>(4,078,662)</u>
Other financing sources (uses)								
Transfers in	129,906	1,048,151	-	1,487,177	447,753	328,930	738,776	4,180,693
Transfers out	-	-	(50)	-	-	-	-	(50)
Total other financing sources (uses)	<u>129,906</u>	<u>1,048,151</u>	<u>(50)</u>	<u>1,487,177</u>	<u>447,753</u>	<u>328,930</u>	<u>738,776</u>	<u>4,180,643</u>
Net change in fund balances	3,311	-	-	(3,572)	(2,052)	104,294	-	101,981
Fund balances, beginning of year	79,377	-	-	502,653	189,647	7,103	100	778,880
Fund balances, end of year	<u>\$ 82,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,081</u>	<u>\$ 187,595</u>	<u>\$ 111,397</u>	<u>\$ 100</u>	<u>\$ 880,861</u>

City of Foley, Alabama
COUNTY FIRE AD VALOREM TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and advalorem taxes	\$ 190,000	\$ 190,000	\$ 197,992	\$ 7,992
Interest and rents	900	900	980	80
Total revenues	<u>190,900</u>	<u>190,900</u>	<u>198,972</u>	<u>8,072</u>
Expenditures				
Public safety	52,500	61,544	18,747	42,797
Capital outlay	530,481	530,481	510,481	20,000
Total expenditures	<u>582,981</u>	<u>592,025</u>	<u>529,228</u>	<u>62,797</u>
Net change in fund balances	(392,081)	(401,125)	(330,256)	70,869
Fund balances, beginning of year	<u>794,612</u>	<u>794,612</u>	<u>794,612</u>	-
Fund balances, end of year	<u>\$ 402,531</u>	<u>\$ 393,487</u>	<u>\$ 464,356</u>	<u>\$ 70,869</u>

City of Foley, Alabama
STATE GASOLINE TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales and other local taxes	\$ 163,400	\$ 163,400	\$ 172,321	\$ 8,921
Interest and rents	200	200	203	3
Total revenues	<u>163,600</u>	<u>163,600</u>	<u>172,524</u>	<u>8,924</u>
Expenditures				
Highways and streets	25,000	25,000	27,872	(2,872)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>27,872</u>	<u>(2,872)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>138,600</u>	<u>138,600</u>	<u>144,652</u>	<u>6,052</u>
Other financing sources (uses)				
Transfers out	(140,000)	(140,000)	(140,000)	-
Total other financing sources (uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net change in fund balances	(1,400)	(1,400)	4,652	6,052
Fund balances, beginning of year	71,104	71,104	71,104	-
Fund balances, end of year	<u>\$ 69,704</u>	<u>\$ 69,704</u>	<u>\$ 75,756</u>	<u>\$ 6,052</u>

City of Foley, Alabama
PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 18,288	\$ 30,288	\$ 33,022	\$ 2,734
Charges for services	9,700	9,700	6,657	(3,043)
Fines and forfeitures	10,500	10,500	7,842	(2,658)
Interest and rents	5	5	193	188
Contributions and donations	22,000	26,800	16,871	(9,929)
Total revenues	<u>60,493</u>	<u>77,293</u>	<u>64,585</u>	<u>(12,708)</u>
Expenditures				
Culture and recreation	76,110	95,910	65,000	30,910
Total expenditures	<u>76,110</u>	<u>95,910</u>	<u>65,000</u>	<u>30,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,617)</u>	<u>(18,617)</u>	<u>(415)</u>	<u>18,202</u>
Other financing sources (uses)				
Transfers out	-	(6,000)	(2,212)	3,788
Total other financing sources (uses)	<u>-</u>	<u>(6,000)</u>	<u>(2,212)</u>	<u>3,788</u>
Net change in fund balances	<u>(15,617)</u>	<u>(24,617)</u>	<u>(2,627)</u>	<u>21,990</u>
Fund balances, beginning of year	<u>70,418</u>	<u>70,418</u>	<u>70,418</u>	<u>-</u>
Fund balances, end of year	<u>\$ 54,801</u>	<u>\$ 45,801</u>	<u>\$ 67,791</u>	<u>\$ 21,990</u>

City of Foley, Alabama
COURT CORRECTIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 48,000	\$ 48,000	\$ 39,649	\$ (8,351)
Interest and rents	150	150	177	27
Total revenues	<u>48,150</u>	<u>48,150</u>	<u>39,826</u>	<u>(8,324)</u>
Expenditures				
General government	48,650	48,650	40,044	8,606
Total expenditures	<u>48,650</u>	<u>48,650</u>	<u>40,044</u>	<u>8,606</u>
Net change in fund balances	(500)	(500)	(218)	282
Fund balances, beginning of year	<u>74,152</u>	<u>74,152</u>	<u>74,152</u>	<u>-</u>
Fund balances, end of year	<u>\$ 73,652</u>	<u>\$ 73,652</u>	<u>\$ 73,934</u>	<u>\$ 282</u>

City of Foley, Alabama
JAIL CORRECTIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ 7,194	\$ (2,806)
Fines and forfeitures	32,000	32,000	26,433	(5,567)
Interest and rents	350	350	427	77
Total revenues	<u>42,350</u>	<u>42,350</u>	<u>34,054</u>	<u>(8,296)</u>
Expenditures				
Capital outlay	135,000	156,353	11,353	145,000
Total expenditures	<u>135,000</u>	<u>156,353</u>	<u>11,353</u>	<u>145,000</u>
Net change in fund balances	(92,650)	(114,003)	22,701	136,704
Fund balances, beginning of year	<u>168,716</u>	<u>168,716</u>	<u>168,716</u>	<u>-</u>
Fund balances, end of year	<u>\$ 76,066</u>	<u>\$ 54,713</u>	<u>\$ 191,417</u>	<u>\$ 136,704</u>

City of Foley, Alabama
RECREATIONAL ACTIVITIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 293,950	\$ 293,950	\$ 96,863	\$ (197,087)
Total revenues	<u>293,950</u>	<u>293,950</u>	<u>96,863</u>	<u>(197,087)</u>
Expenditures				
Culture and recreation	<u>222,675</u>	<u>222,675</u>	<u>124,908</u>	<u>97,767</u>
Total expenditures	<u>222,675</u>	<u>222,675</u>	<u>124,908</u>	<u>97,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,275</u>	<u>71,275</u>	<u>(28,045)</u>	<u>(99,320)</u>
Other financing sources (uses)				
Transfers in	-	-	6,064	6,064
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>
Total other financing sources (uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>6,064</u>	<u>76,064</u>
Net change in fund balances	1,275	1,275	(21,981)	(23,256)
Fund balances, beginning of year	<u>25,481</u>	<u>25,481</u>	<u>25,481</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 26,756</u></u>	<u><u>\$ 26,756</u></u>	<u><u>\$ 3,500</u></u>	<u><u>\$ (23,256)</u></u>

City of Foley, Alabama
EVENT CENTER OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 18,750	\$ 18,750	\$ 5,260	\$ (13,490)
Contributions and donations	41,000	41,000	10,000	(31,000)
Total revenues	<u>59,750</u>	<u>59,750</u>	<u>15,260</u>	<u>(44,490)</u>
Expenditures				
Culture and recreation	346,300	346,300	291,537	54,763
Total expenditures	<u>346,300</u>	<u>346,300</u>	<u>291,537</u>	<u>54,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(286,550)</u>	<u>(286,550)</u>	<u>(276,277)</u>	<u>10,273</u>
Other financing sources (uses)				
Transfers in	286,550	286,550	276,277	(10,273)
Total other financing sources (uses)	<u>286,550</u>	<u>286,550</u>	<u>276,277</u>	<u>(10,273)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	100	100	100	-
Fund balances, end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

City of Foley, Alabama
MULTI-USE FIELDS OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 11,100	\$ 11,100	\$ 2,591	\$ (8,509)
Contributions and donations	60,000	60,000	15,000	(45,000)
Total revenues	<u>71,100</u>	<u>71,100</u>	<u>17,591</u>	<u>(53,509)</u>
Expenditures				
Culture and recreation	417,700	417,700	295,018	122,682
Total expenditures	<u>417,700</u>	<u>417,700</u>	<u>295,018</u>	<u>122,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(346,600)</u>	<u>(346,600)</u>	<u>(277,427)</u>	<u>69,173</u>
Other financing sources (uses)				
Transfers in	346,600	346,600	276,505	(70,095)
Total other financing sources (uses)	<u>346,600</u>	<u>346,600</u>	<u>276,505</u>	<u>(70,095)</u>
Net change in fund balances	-	-	(922)	(922)
Fund balances, beginning of year	1,022	1,022	1,022	-
Fund balances, end of year	<u>\$ 1,022</u>	<u>\$ 1,022</u>	<u>\$ 100</u>	<u>\$ (922)</u>

City of Foley, Alabama
PUBLIC ATHLETIC & SPORTS FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 5,000	\$ 5,000	\$ 1,462	\$ (3,538)
Other	36,000	36,000	37,613	1,613
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>39,075</u>	<u>(1,925)</u>
Expenditures				
Culture and recreation	1,600	2,660	2,660	-
Interest	496,853	496,853	496,853	-
Total expenditures	<u>498,453</u>	<u>499,513</u>	<u>499,513</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(457,453)</u>	<u>(458,513)</u>	<u>(460,438)</u>	<u>(1,925)</u>
Other financing sources (uses)				
Transfers in	498,453	499,513	497,078	(2,435)
Total other financing sources (uses)	<u>498,453</u>	<u>499,513</u>	<u>497,078</u>	<u>(2,435)</u>
Net change in fund balances	41,000	41,000	36,640	(4,360)
Fund balances, beginning of year	262,584	262,584	262,584	-
Fund balances, end of year	<u>\$ 303,584</u>	<u>\$ 303,584</u>	<u>\$ 299,224</u>	<u>\$ (4,360)</u>

City of Foley, Alabama
PUBLIC CULTURAL & ENTERTAINMENT FACILITIES COOPERATIVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amount			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 6,500	\$ 6,500	\$ 3,407	\$ (3,093)
Other	402,500	402,500	299,106	(103,394)
Total revenues	<u>409,000</u>	<u>409,000</u>	<u>302,513</u>	<u>(106,487)</u>
Expenditures				
Culture and recreation	1,600	1,655	1,655	-
Principal	325,000	325,000	325,000	-
Interest	595,260	595,260	595,260	-
Total expenditures	<u>921,860</u>	<u>921,915</u>	<u>921,915</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(512,860)</u>	<u>(512,915)</u>	<u>(619,402)</u>	<u>(106,487)</u>
Other financing sources (uses)				
Transfers in	921,965	922,020	916,436	(5,584)
Transfers out	(402,500)	(402,500)	(299,106)	103,394
Total other financing sources (uses)	<u>519,465</u>	<u>519,520</u>	<u>617,330</u>	<u>97,810</u>
Net change in fund balances	6,605	6,605	(2,072)	(8,677)
Fund balances, beginning of year	<u>386,007</u>	<u>386,007</u>	<u>386,007</u>	<u>-</u>
Fund balances, end of year	<u>\$ 392,612</u>	<u>\$ 392,612</u>	<u>\$ 383,935</u>	<u>\$ (8,677)</u>

City of Foley, Alabama
ENERGY CONSERVATION BONDS SERIES 2013
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 1,000	\$ 1,000	\$ 605	\$ (395)
Other	70,500	70,500	71,349	849
Total revenues	<u>71,500</u>	<u>71,500</u>	<u>71,954</u>	<u>454</u>
Expenditures				
Principal	105,000	105,000	105,000	-
Interest	93,550	93,550	93,549	1
Total expenditures	<u>198,550</u>	<u>198,550</u>	<u>198,549</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(127,050)</u>	<u>(127,050)</u>	<u>(126,595)</u>	<u>455</u>
Other financing sources (uses)				
Transfers in	127,050	127,050	129,906	2,856
Total other financing sources (uses)	<u>127,050</u>	<u>127,050</u>	<u>129,906</u>	<u>2,856</u>
Net change in fund balances	-	-	3,311	3,311
Fund balances, beginning of year	79,377	79,377	79,377	-
Fund balances, end of year	<u>\$ 79,377</u>	<u>\$ 79,377</u>	<u>\$ 82,688</u>	<u>\$ 3,311</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2006A
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures				
Principal	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Interest	36,098	36,098	36,099	(1)
Bond cost	12,054	12,054	12,052	2
Total expenditures	<u>1,048,152</u>	<u>1,048,152</u>	<u>1,048,151</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(1,048,152)</u>	<u>(1,048,152)</u>	<u>(1,048,151)</u>	<u>1</u>
Other financing sources (uses)				
Transfers in	1,048,152	1,048,152	1,048,151	(1)
Total other financing sources (uses)	<u>1,048,152</u>	<u>1,048,152</u>	<u>1,048,151</u>	<u>(1)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2009
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Variance with Final Budget -		
	Final	Actual	Positive (Negative)
Revenues			
Interest and rents	\$ 51	\$ 50	\$ (1)
Total revenues	<u>51</u>	<u>50</u>	<u>(1)</u>
Other financing sources (uses)			
Transfers out	(51)	(50)	1
Total other financing sources (uses)	<u>(51)</u>	<u>(50)</u>	<u>1</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2014
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 11,000	\$ 11,000	\$ 6,180	\$ (4,820)
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>6,180</u>	<u>(4,820)</u>
Expenditures				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	496,929	496,929	496,929	-
Total expenditures	<u>1,496,929</u>	<u>1,496,929</u>	<u>1,496,929</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,485,929)</u>	<u>(1,485,929)</u>	<u>(1,490,749)</u>	<u>(4,820)</u>
Other financing sources (uses)				
Transfers in	1,496,929	1,496,929	1,487,177	(9,752)
Total other financing sources (uses)	<u>1,496,929</u>	<u>1,496,929</u>	<u>1,487,177</u>	<u>(9,752)</u>
Net change in fund balances	11,000	11,000	(3,572)	(14,572)
Fund balances, beginning of year	502,653	502,653	502,653	-
Fund balances, end of year	<u><u>\$ 513,653</u></u>	<u><u>\$ 513,653</u></u>	<u><u>\$ 499,081</u></u>	<u><u>\$ (14,572)</u></u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2015
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 4,200	\$ 4,200	\$ 2,195	\$ (2,005)
Total revenues	<u>4,200</u>	<u>4,200</u>	<u>2,195</u>	<u>(2,005)</u>
Expenditures				
Principal	340,000	340,000	340,000	-
Interest	112,000	112,000	112,000	-
Total expenditures	<u>452,000</u>	<u>452,000</u>	<u>452,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(447,800)</u>	<u>(447,800)</u>	<u>(449,805)</u>	<u>(2,005)</u>
Other financing sources (uses)				
Transfers in	451,167	451,167	447,753	(3,414)
Total other financing sources (uses)	<u>451,167</u>	<u>451,167</u>	<u>447,753</u>	<u>(3,414)</u>
Net change in fund balances	3,367	3,367	(2,052)	(5,419)
Fund balances, beginning of year	189,647	189,647	189,647	-
Fund balances, end of year	<u>\$ 193,014</u>	<u>\$ 193,014</u>	<u>\$ 187,595</u>	<u>\$ (5,419)</u>

City of Foley, Alabama
GENERAL OBLIGATION WARRANTS SERIES 2019
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rents	\$ 1,000	\$ 1,000	\$ 326	\$ (674)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>326</u>	<u>(674)</u>
Expenditures				
Principal	40,000	40,000	-	40,000
Interest	243,042	243,042	224,962	18,080
Total expenditures	<u>283,042</u>	<u>283,042</u>	<u>224,962</u>	<u>58,080</u>
Excess (deficiency) of revenues over expenditures	<u>(282,042)</u>	<u>(282,042)</u>	<u>(224,636)</u>	<u>57,406</u>
Other financing sources (uses)				
Transfers in	283,042	336,358	328,930	(7,428)
Total other financing sources (uses)	<u>283,042</u>	<u>336,358</u>	<u>328,930</u>	<u>(7,428)</u>
Net change in fund balances	1,000	54,316	104,294	49,978
Fund balances, beginning of year	7,103	7,103	7,103	-
Fund balances, end of year	<u>\$ 8,103</u>	<u>\$ 61,419</u>	<u>\$ 111,397</u>	<u>\$ 49,978</u>

City of Foley, Alabama
ECONOMIC INCENTIVES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures				
Principal	\$ 723,235	\$ 723,235	\$ 725,384	\$ (2,149)
Interest	15,542	15,542	13,392	2,150
Total expenditures	<u>738,777</u>	<u>738,777</u>	<u>738,776</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(738,777)</u>	<u>(738,777)</u>	<u>(738,776)</u>	<u>1</u>
Other financing sources (uses)				
Transfers in	738,777	738,777	738,776	(1)
Total other financing sources (uses)	<u>738,777</u>	<u>738,777</u>	<u>738,776</u>	<u>(1)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	100	100	100	-
Fund balances, end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

City of Foley, Alabama
SCHEDULE OF CONSTRUCTION IN PROGRESS
As of September 30, 2020

	Balance 9/30/2019	Additions	Transfers and Adjustments	Balance 9/30/2020
GOVERNMENTAL ACTIVITIES				
Police Tahoe	\$ 31,285	\$ 13,751	\$ 45,036	\$ -
FST - website	-	21,750	-	21,750
Stored Materials - Recreation	22,680	-	22,680	-
Fiber System Expansion	18,770	8,133	26,903	-
Airport Taxiway	265,709	54,602	320,311	-
Airport 8-unit T-Hangar	337,763	156,359	494,122	-
Airport Taxiway Mill & Repave	31,344	504,142	535,486	-
Airport-North Apron Rehab	-	38,834	-	38,834
Bon Secour Water Quality	199,580	1,381,660	-	1,581,240
South Pecan - City Constructed	30,360	-	-	30,360
Market Road - City Construction	6,769	-	-	6,769
Chestnut Drainage Improvements	5,219	251	5,470	-
Country Road 12 Drainage Improvement	-	32,625	-	32,625
ATRIP III - Fern Extension	4,350,286	709,712	5,059,998	-
Tanger Drainage Easement	15,471	1,479	16,950	-
9th Avenue Extension	866,873	-	866,873	-
Traffic Safety Project	8,000	-	-	8,000
HSIP-Traffic Safety-CR 12/FBE	62,148	271,846	-	333,994
Juniper St South Extension	15,950	41,494	-	57,444
Laurel & Pine St Planters	8,552	37,736	46,288	-
Heritage Park Gazebo	252	47,204	47,456	-
Rose Trail/Centennial Fountain	-	74,118	-	74,118
Miflin Rd Access Management	-	34,647	-	34,647
Mel Roberts Park Bathroom Building	-	5,000	-	5,000
Library Roof Replacement	83,118	-	83,118	-
Maintenance Barn	995	62,146	63,141	-
Event Center-Acousitcal Dampening	-	92,617	-	92,617
Pressbox-Championship Field	304	79,351	79,655	-
Horticulture Office/Facility Building	-	6,000	-	6,000
GCNP-Boardwalk	-	1,870	-	1,870
GCNP-Memorial Boardwalk Ph II	-	270	-	270
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 6,361,428</u>	<u>\$ 3,677,597</u>	<u>\$ 7,713,487</u>	<u>\$ 2,325,538</u>

**STATISTICAL SECTION
(UNAUDITED)**

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STATISTICAL SECTION

(UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year									
	2020	2019	2018	2017*	2016*	2015	2014 *	2013	2012	2011
Governmental Activities										
Net invested in capital assets	\$ 111,651,872	\$ 107,589,228	\$ 98,292,183	\$ 93,824,140	\$ 90,333,519	\$ 80,055,857	\$ 78,082,591	\$ 79,689,446	\$ 74,620,554	\$ 73,424,176
Restricted For:										
Capital projects	-	-	-	2,647	13,167,956	15,616,156	14,928,095	2,053,111	32,216	224,533
Debt service	2,496,058	2,396,552	2,800,940	3,061,057	3,353,850	2,995,047	2,470,037	216,014	2,054,798	2,139,764
Other purposes	1,709,994	1,497,094	1,778,120	1,174,804	1,535,093	1,569,762	1,257,448	882,049	1,027,208	1,199,126
Unrestricted	13,384,935	10,452,517	8,004,336	5,558,641	(8,813,490)	(6,887,689)	2,523,882	14,980,428	18,903,373	19,452,311
Total governmental activities net position	<u>\$ 129,242,859</u>	<u>\$ 121,935,391</u>	<u>\$ 110,875,579</u>	<u>\$ 103,621,289</u>	<u>\$ 99,576,928</u>	<u>\$ 93,349,133</u>	<u>\$ 99,262,053</u>	<u>\$ 97,821,048</u>	<u>\$ 96,638,149</u>	<u>\$ 96,439,910</u>
Business-Type Activities										
Net invested in capital assets	\$ (920,677)	\$ (1,077,397)	\$ (863,808)	\$ (647,469)	\$ (400,188)	\$ (148,485)	\$ (671,802)	\$ -	\$ -	\$ -
Restricted For:										
Capital projects	-	-	-	-	-	-	1,004,916	-	-	-
Debt service	-	-	-	-	-	-	162,037	-	-	-
Other purposes	19,380	43,313	66,931	90,620	114,403	138,188	-	-	-	-
Unrestricted	211,954	200,168	293,040	188,811	70,117	44,879	(367,495)	-	-	-
Total business-type activities net position	<u>\$ (689,343)</u>	<u>\$ (833,916)</u>	<u>\$ (503,837)</u>	<u>\$ (368,038)</u>	<u>\$ (215,668)</u>	<u>\$ 34,582</u>	<u>\$ 127,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government										
Net invested in capital assets	\$ 110,731,195	\$ 106,511,831	\$ 97,428,375	\$ 93,176,671	\$ 89,933,331	\$ 79,907,372	\$ 77,410,789	\$ 79,689,446	\$ 74,620,554	\$ 73,424,176
Restricted For:										
Capital projects	-	-	-	2,647	13,167,956	15,616,156	15,933,011	2,053,111	32,216	224,533
Debt service	2,496,058	2,396,552	2,800,940	3,061,057	3,353,850	2,995,047	2,632,074	216,014	2,054,798	2,139,764
Other purposes	1,729,374	1,540,407	1,845,051	1,265,424	1,649,496	1,707,950	1,257,448	882,049	1,027,208	1,199,126
Unrestricted	13,596,889	10,652,685	8,297,376	5,747,452	(8,743,373)	(6,842,810)	2,156,387	14,980,428	18,903,373	19,452,311
Total primary government net position	<u>\$ 128,553,516</u>	<u>\$ 121,101,475</u>	<u>\$ 110,371,742</u>	<u>\$ 103,253,251</u>	<u>\$ 99,361,260</u>	<u>\$ 93,383,715</u>	<u>\$ 99,389,709</u>	<u>\$ 97,821,048</u>	<u>\$ 96,638,149</u>	<u>\$ 96,439,910</u>

Sources: City Finance Division

* Amounts are restated.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014 ****	2013	2012	2011
Program/Function Activities										
Governmental Activities:										
General government	\$ 10,335,537	\$ 6,770,564	\$ 6,897,544	\$ 6,570,618	\$ 6,309,843	\$ 6,351,158	\$ 5,757,555	\$ 5,942,056	\$ 5,096,176	\$ 4,829,325
Public safety	14,457,671	13,898,543	13,058,911	12,492,542	12,136,287	10,963,166	10,590,907	10,275,397	9,885,873	9,302,294
Highways and streets	6,628,418	6,124,409	5,426,492	5,507,306	4,411,736	4,971,443	4,673,639	3,948,204	5,087,068	4,603,813
Sanitation	2,657,082	2,445,165	2,255,624	2,393,502	2,347,410	2,480,994	2,423,834	2,251,707	2,107,324	2,114,831
Culture and recreation	8,959,094	9,778,699	9,408,900	7,701,908	6,429,296	6,013,840	5,366,130	4,858,407	4,924,916	4,448,209
Conservation	-	-	-	-	-	-	-	-	454	56,513
Economic development	1,723,683	1,737,324	2,052,703	2,114,470	1,318,184	4,848,999	2,558,559	728,321	658,281	1,447,843
Interest on long-term debt	2,360,056	2,601,830	2,670,228	2,620,665	3,224,877	2,372,127	1,688,961	1,451,189	1,305,944	1,508,543
Total Governmental Activities Expense	<u>47,121,541</u>	<u>43,356,534</u>	<u>41,770,402</u>	<u>39,401,011</u>	<u>36,177,633</u>	<u>38,001,727</u>	<u>33,059,585</u>	<u>29,455,281</u>	<u>29,066,036</u>	<u>28,311,371</u>
Business-Type Activities										
CAFFM, Inc.	697,673	820,686	587,864	593,236	634,016	533,629	162,428	-	-	-
Total Business-Type Activities Expense	<u>697,673</u>	<u>820,686</u>	<u>587,864</u>	<u>593,236</u>	<u>634,016</u>	<u>533,629</u>	<u>162,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expense	<u>47,819,214</u>	<u>44,177,220</u>	<u>42,358,266</u>	<u>39,994,247</u>	<u>36,811,649</u>	<u>38,535,356</u>	<u>33,222,013</u>	<u>29,455,281</u>	<u>29,066,036</u>	<u>28,311,371</u>
Program/Function Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 3,411,513	\$ 3,330,790	\$ 3,307,034	\$ 2,703,584	\$ 2,233,406	\$ 2,192,351	\$ 2,244,206	\$ 1,856,195	\$ 1,853,314	\$ 1,779,374
Public safety	1,596,617	1,110,118	1,337,483	1,866,349	1,281,186	962,562	1,133,814	1,064,732	960,788	884,572
Highways and streets	11,500	16,350	13,959	-	-	-	-	-	-	-
Sanitation	2,825,171	2,411,491	2,208,239	2,141,518	2,055,611	1,976,435	1,931,964	1,808,916	1,796,008	1,855,851
Culture and recreation	265,274	595,082	479,136	537,390	505,226	396,177	354,414	305,071	331,143	313,223
Economic development	-	-	-	34,504	167,578	246,063	137,993	13,891	13,891	-
Operating grants and contributions	939,614	600,928	552,756	845,617	546,798	214,638	651,106	310,730	384,454	374,068
Capital Grants and Contributions	3,468,332	5,139,991	2,854,034	4,981,652	10,043,137	4,472,663	1,791,993	999,501	208,547	604,582
Total Program Revenues - Government Activities	<u>12,518,021</u>	<u>13,204,750</u>	<u>10,752,641</u>	<u>13,110,614</u>	<u>16,832,942</u>	<u>10,460,889</u>	<u>8,245,490</u>	<u>6,359,036</u>	<u>5,548,145</u>	<u>5,811,670</u>
Program/Function Revenues										
Business-Type Activities:										
Charges for services	782,273	429,792	407,126	369,006	287,686	175,809	5,635	-	-	-
Operating grants and contributions	-	-	-	22,200	-	35,288	-	-	-	-
Capital Grants and Contributions	-	-	-	-	32,712	-	-	-	-	-
Total Program Revenues - Business-Type Activities	<u>782,273</u>	<u>429,792</u>	<u>407,126</u>	<u>391,206</u>	<u>320,398</u>	<u>211,097</u>	<u>5,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Program Revenues	<u>\$ 13,300,294</u>	<u>\$ 13,634,542</u>	<u>\$ 11,159,767</u>	<u>\$ 13,501,820</u>	<u>\$ 17,153,340</u>	<u>\$ 10,671,986</u>	<u>\$ 8,251,125</u>	<u>\$ 6,359,036</u>	<u>\$ 5,548,145</u>	<u>\$ 5,811,670</u>

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014 ****	2013	2012	2011
Total Net (Expense)/Revenue										
Governmental Activities	\$ (34,603,520)	\$ (30,151,784)	\$ (31,017,761)	\$ (26,290,397)	\$ (19,344,694)	\$ (27,540,838)	\$ (24,814,095)	\$ (23,096,245)	\$ (23,517,891)	\$ (22,499,701)
Business-Type Activities:	84,600	(390,894)	(180,738)	(202,030)	(313,618)	(322,532)	(156,793)	-	-	-
Total Primary Government Net (Expense)/Rev.	<u>\$ (34,518,920)</u>	<u>\$ (30,542,678)</u>	<u>\$ (31,198,499)</u>	<u>\$ (26,492,427)</u>	<u>\$ (19,658,312)</u>	<u>\$ (27,863,370)</u>	<u>\$ (24,970,888)</u>	<u>\$ (23,096,245)</u>	<u>\$ (23,517,891)</u>	<u>\$ (22,499,701)</u>
General Revenues										
Governmental Activities										
Property taxes	\$ 1,880,124	\$ 1,765,580	\$ 1,711,873	\$ 1,625,209	\$ 1,539,905	\$ 1,435,035	\$ 1,351,037	\$ 1,367,446	\$ 1,391,305	\$ 1,473,779
Sales and other local taxes	29,555,402	28,958,941	26,646,096	22,257,234	16,365,312	15,463,721	14,687,639	13,773,921	12,875,117	12,274,297
Franchise fees	7,692,940	7,410,006	7,053,060	6,796,594	6,499,737	6,311,582	6,200,232	6,285,978	6,232,079	5,927,604
Fines and forfeitures *	-	-	-	-	-	-	-	29,272	7,756	44,047
Contributed capital	-	-	-	-	-	-	-	872,174	845,998	1,571,669
Interest **	127,441	181,192	152,174	114,659	86,185	90,813	37,378	420,101	434,278	278,230
Other	2,561,847	2,799,448	2,599,630	1,456,376	1,431,368	1,330,343	1,226,186	1,354,889	1,709,261	791,933
Loss on discontinuation of projects	-	-	-	-	-	-	-	-	-	(36,418)
Gain on sale of capital assets	-	-	-	-	-	(18,410)	2,871,828	116,824	220,336	13,236
Franchise taxes ***	152,738	155,933	153,846	147,880	138,547	151,124	139,652	-	-	-
Other financing sources	-	-	-	-	-	-	25,000	58,539	-	-
Transfers	(59,504)	(59,504)	(44,628)	(44,628)	(59,504)	(228,817)	(425,220)	-	-	-
Total general revenues - Government Activities	<u>\$ 41,910,988</u>	<u>\$ 41,211,596</u>	<u>\$ 38,272,051</u>	<u>\$ 32,353,324</u>	<u>\$ 26,001,550</u>	<u>\$ 24,535,391</u>	<u>\$ 26,113,732</u>	<u>\$ 24,279,144</u>	<u>\$ 23,716,130</u>	<u>\$ 22,338,377</u>
General Revenues										
Business-Type Activities										
Interest	\$ 469	\$ 382	\$ 311	\$ 216	\$ 215	\$ 468	\$ 556	\$ -	\$ -	\$ -
Other	-	929	-	4,816	3,649	173	41	-	-	-
Transfers	59,504	59,504	44,628	44,628	59,504	228,817	425,220	-	-	-
Total gen. rev. - Business-Type Activities	<u>59,973</u>	<u>60,815</u>	<u>44,939</u>	<u>49,660</u>	<u>63,368</u>	<u>229,458</u>	<u>425,817</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Gvnmt. General Revenues	<u>\$ 41,970,961</u>	<u>\$ 41,272,411</u>	<u>\$ 38,316,990</u>	<u>\$ 32,402,984</u>	<u>\$ 26,064,918</u>	<u>\$ 24,764,849</u>	<u>\$ 26,539,549</u>	<u>\$ 24,279,144</u>	<u>\$ 23,716,130</u>	<u>\$ 22,338,377</u>
Changes in Net Position										
Governmental Activities	\$ 7,307,468	\$ 11,059,812	\$ 7,254,290	\$ 6,062,927	\$ 6,656,856	\$ (3,005,447)	\$ 1,299,637	\$ 1,182,899	\$ 198,239	\$ (161,324)
Business-Type Activities	144,573	(330,079)	(135,799)	(152,370)	(250,250)	(93,074)	269,024	-	-	-
Total Primary Government	<u>\$ 7,452,041</u>	<u>\$ 10,729,733</u>	<u>\$ 7,118,491</u>	<u>\$ 5,910,557</u>	<u>\$ 6,406,606</u>	<u>\$ (3,098,521)</u>	<u>\$ 1,568,661</u>	<u>\$ 1,182,899</u>	<u>\$ 198,239</u>	<u>\$ (161,324)</u>

Source: City Finance Division

* Beginning Fiscal Year 2014, Fines and Forfeitures are reported as part of the charges for services category of program revenue in the function or activity that generates them.

** Prior to Fiscal Year 2014, Interest and Rents were reported together. Beginning Fiscal Year 2014, Rental Income is reported as a program revenue of the function that generates the revenue.

*** Beginning Fiscal Year 2014, Riviera Utilities Franchise Fees are reported separately. Prior to Fiscal Year 2014 Riviera Utilities Franchise Fees were reported with Utility Tax Equivalents.

**** Fiscal Year 2014 was restated due to a change in fund type made in 2015 to the Public Athletic & Sports Facilities Cooperative District and the Public Cultural & Entertainment Facilities Cooperative District.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 5,853,668	\$ 5,898,837	\$ 5,796,468	\$ 5,822,962	\$ 5,770,035	\$ 5,731,817	\$ 5,723,897	\$ 170,835	\$ 152,144	\$ 178,211
Restricted	372,340	341,572	463,333	410,953	320,974	247,851	173,317	102,037	132,028	257,992
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	842,041	819,864	789,941	552,434	546,767	3,050,258	4,952,810	5,456,967	2,957,039	3,221,132
Unassigned	17,041,142	13,056,651	11,514,771	8,716,303	3,147,862	4,375,994	8,996,305	10,862,662	16,921,540	16,889,069
Reserved:										
Inventory	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 24,109,191</u>	<u>\$ 20,116,924</u>	<u>\$ 18,564,513</u>	<u>\$ 15,502,652</u>	<u>\$ 9,785,638</u>	<u>\$ 13,405,920</u>	<u>\$ 19,846,329</u>	<u>\$ 16,592,501</u>	<u>\$ 20,162,751</u>	<u>\$ 20,546,404</u>
All other Governmental Funds										
Nonspendable	\$ -	\$ 507,277	\$ -	\$ 379,821	\$ 817,761	\$ 379,821	\$ 379,821	\$ -	\$ -	\$ -
Restricted	3,833,712	3,552,074	4,115,727	3,827,555	17,735,952	19,933,114	3,049,137	3,049,137	2,982,194	3,305,431
Committed	103,164	397,892	1,024,134	768,672	1,605,439	2,799,959	542,442	542,442	100,590	124,988
Assigned	-	-	-	-	-	-	-	50	77,547	75,561
Unassigned	92,429	54,624	(252,477)	-	(22,086)	(527,469)	(343,318)	(343,318)	(4,633)	-
Reserved For:										
Debt service	-	-	-	-	-	-	-	-	-	2,135,444
Current and future projects	-	-	-	-	-	-	-	-	-	2,490,792
Unreserved:										
Undesignated	-	-	-	-	-	-	-	-	-	-
Total all Other Gvnmt. Funds	<u>\$ 4,029,305</u>	<u>\$ 4,511,867</u>	<u>\$ 4,887,384</u>	<u>\$ 4,976,048</u>	<u>\$ 20,137,066</u>	<u>\$ 22,585,425</u>	<u>\$ 3,628,082</u>	<u>\$ 3,248,311</u>	<u>\$ 3,155,698</u>	<u>\$ 8,132,216</u>
Total Governmental Funds	<u>\$ 28,138,496</u>	<u>\$ 24,628,791</u>	<u>\$ 23,451,897</u>	<u>\$ 20,478,700</u>	<u>\$ 29,922,704</u>	<u>\$ 35,991,345</u>	<u>\$ 23,474,411</u>	<u>\$ 19,840,812</u>	<u>\$ 23,318,449</u>	<u>\$ 28,678,620</u>

GASB Statement No. 54 changed fund balance classification and was implemented with fiscal year 2011. Fund balance data prior to 2011 is presented under the prior classifications.

Source: City Finance Division

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property and advalorem taxes	\$ 1,880,124	\$ 1,765,580	\$ 1,711,873	\$ 1,625,209	\$ 1,539,905	\$ 1,435,035	\$ 1,351,038	\$ 1,367,446	\$ 1,391,305	\$ 1,473,778
Sales and other local taxes	29,555,402	28,958,941	26,646,096	22,405,114	16,491,205	15,614,845	14,827,291	13,773,922	12,875,117	12,274,296
Licenses and permits	4,229,647	3,616,461	3,828,883	3,720,477	2,705,953	2,401,064	2,365,083	2,141,591	2,053,479	1,839,187
Intergovernmental	3,339,731	3,568,471	2,313,245	3,132,314	9,235,106	4,153,301	1,822,855	932,314	498,353	947,587
Charges for services	3,085,966	2,967,859	2,645,941	2,570,615	2,514,568	2,365,893	2,247,929	2,187,877	2,051,189	2,083,810
Fines and forfeitures	556,795	614,964	584,494	646,292	641,976	555,808	564,146	644,568	672,115	735,231
Utility tax equivalents	7,845,678	7,565,939	7,206,906	6,796,594	6,499,737	6,311,582	6,200,232	6,285,978	6,232,079	5,927,604
Interest *	127,441	181,192	152,174	114,659	86,185	90,812	37,377	483,850	445,778	438,520
Contributions and donations	87,306	879,261	789,317	230,806	114,862	134,064	624,885	735,208	96,962	69,533
Other **	2,746,410	2,844,280	2,603,155	1,444,874	1,478,250	1,363,673	1,185,873	1,101,634	1,893,067	972,291
Rental income *	237,667	264,547	286,533	278,688	369,451	438,312	404,869	-	-	-
Total Revenues	53,692,167	53,227,495	48,768,617	42,965,642	41,677,198	34,864,389	31,631,578	29,654,388	28,209,444	26,761,837
Expenditures										
Current:										
General government	9,502,083	5,968,544	6,037,041	5,636,357	5,397,282	5,626,814	4,982,869	4,663,354	4,384,589	4,268,268
Public safety	13,231,013	12,838,863	11,995,342	11,404,151	11,238,760	10,380,906	9,889,322	9,564,621	9,242,297	8,646,059
Highways and streets	3,702,125	3,234,873	2,926,279	3,097,595	2,343,121	2,673,944	2,387,351	1,695,247	2,550,240	2,323,934
Sanitation	2,339,768	2,210,000	2,053,143	2,208,683	2,132,864	2,281,302	2,223,182	2,091,835	1,940,438	1,927,347
Culture and recreation	6,660,423	7,610,962	7,255,457	6,094,701	5,538,955	5,376,674	4,533,285	4,105,478	3,961,657	3,720,295
Conservation	-	-	-	-	-	-	-	-	454	56,513
Economic development	1,723,683	1,737,324	2,048,752	2,101,714	1,314,462	4,802,908	2,550,772	728,321	658,281	1,447,843
Debt Service:										
Principal	3,802,138	4,978,064	4,704,499	4,122,542	3,754,343	3,225,085	2,066,250	1,931,913	2,384,546	4,076,271
Interest	2,349,377	2,536,588	2,679,534	2,755,695	2,452,056	1,710,650	1,230,586	1,228,135	1,254,104	1,336,228
Bond issuance cost	12,052	110,139	25,641	31,995	410,055	289,474	293,614	146,349	59,932	109,254
Capital Outlay	6,800,296	10,157,906	6,768,709	18,028,847	29,573,346	18,303,234	6,615,097	10,037,379	2,842,330	2,723,409
Total Expenditures	50,122,958	51,383,263	46,494,397	55,482,280	64,155,244	54,670,991	36,772,328	36,192,632	29,278,868	30,635,421
Excess (deficiency) of revenues over expenditures	\$ 3,569,209	\$ 1,844,232	\$ 2,274,220	\$ (12,516,638)	\$ (22,478,046)	\$ (19,806,602)	\$ (5,140,750)	\$ (6,538,244)	\$ (1,069,424)	\$ (3,873,584)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other financing sources (uses)										
Transfers in	\$ 11,000,713	\$ 22,993,661	\$ 14,414,569	\$ 12,564,628	\$ 14,643,434	\$ 29,967,659	\$ 18,322,813	\$ 11,226,821	\$ 6,895,495	\$ 7,428,202
Transfers out	(11,060,217)	(23,053,165)	(14,459,197)	(12,609,256)	(14,702,938)	(30,240,031)	(18,748,033)	(11,226,821)	(6,895,495)	(7,428,202)
Issuance of loan debt	-	-	-	300,000	24,450,000	-	375,000	2,975,000	-	1,124,312
Bond premium	-	658,543	-	-	1,732,359	451,138	862,733	-	-	-
Bond discount	-	-	-	-	-	(286,296)	-	(58,539)	-	-
Payment to refunded bond escrow	-	(6,171,377)	-	-	(9,810,412)	-	-	-	-	-
Capital leases	-	-	-	32,031	96,935	-	-	-	-	-
Proceeds from sale of assets **	-	-	-	1,785,258	-	-	5,947,904	144,144	335,489	30,343
Issuance of bonded debt	-	4,905,000	500,000	1,000,000	-	16,440,000	18,005,000	-	-	-
Total other financing sources (uses)	<u>(59,504)</u>	<u>(667,338)</u>	<u>455,372</u>	<u>3,072,661</u>	<u>16,409,378</u>	<u>16,332,470</u>	<u>24,765,417</u>	<u>3,060,605</u>	<u>335,489</u>	<u>1,154,655</u>
Net change in fund balances	<u>\$ 3,509,705</u>	<u>\$ 1,176,894</u>	<u>\$ 2,729,592</u>	<u>\$ (9,443,977)</u>	<u>\$ (6,068,668)</u>	<u>\$ (3,474,132)</u>	<u>\$ 19,624,667</u>	<u>\$ (3,477,639)</u>	<u>\$ (733,935)</u>	<u>\$ (2,718,929)</u>
Debt service as a percentage of noncapital expenditures	14.2%	18.2%	18.6%	18.4%	17.9%	13.6%	10.9%	12.1%	13.8%	19.4%

* Prior to Fiscal Year 2014, Interest and Rents were reported together. Beginning Fiscal Year 2014, Rental Income is reported as a program revenue of the function that generates the revenue.

** Beginning Fiscal Year 2015, non-material proceeds from sale of assets are reported under "Other".

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

Fiscal Year	City of Foley	Baldwin County	State of Alabama	Total Sales Tax Rate
2020	3.0%	3.0%	4.0%	10.0%
2019	3.0%	3.0%	4.0%	10.0%
2018	3.0%	3.0%	4.0%	10.0%
2017	3.0%	3.0%	4.0%	10.0%
2016	2.0%	3.0%	4.0%	9.0%
2015	2.0%	3.0%	4.0%	9.0%
2014	2.0%	3.0%	4.0%	9.0%
2013	2.0%	3.0%	4.0%	9.0%
2012	2.0%	3.0%	4.0%	9.0%
2011	2.0%	3.0%	4.0%	9.0%

Source: State of Alabama Department of Revenue

Effective March 1, 2017, the City increased sales and use tax to 3%. Increased rate is effective until August 31, 2020.

Effective September 2019, the City Council extended the 1% temporary sales tax until August 31, 2030.

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

Year	[1] Gross Sales	[1] Remitted By Top 25 Taxpayers	[1] Total Sales & Use Tax Collected	Percent of Total Tax
2020	\$ 1,566,212,910	\$ 11,274,082	\$ 26,816,150	42.04%
2019	\$ 1,399,889,326	\$ 10,000,128	\$ 24,991,110	40.01%
2018	\$ 1,260,945,641	\$ 8,736,761	\$ 21,367,934	40.89%
2017	\$ 1,258,511,522	\$ 8,014,166	\$ 19,581,316	40.93%
2016	\$ 1,187,232,141	\$ 6,224,812	\$ 14,962,812	41.60%
2015	\$ 1,112,243,887	\$ 5,998,110	\$ 14,315,191	41.90%
2014	\$ 1,082,812,154	\$ 5,812,173	\$ 13,561,596	42.86%
2013	\$ 1,026,614,367	\$ 5,331,864	\$ 12,592,353	42.34%
2012	\$ 969,489,913	\$ 5,170,378	\$ 11,977,441	43.17%
2011	\$ 908,628,529	\$ 4,950,568	\$ 11,346,755	43.63%

[1] Beginning 2016, the State of Alabama reports the information by fiscal year, net of fees, on a non accrual basis. Years 2011 - 2015 are reported on a calendar year (information available beginning 2011).

Source: State of Alabama Department of Revenue

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

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

Fiscal Year Ended September 30,	Sales and Other Local Taxes							
	[1] [2] Sales & Use Tax	[3] Lodging Tax	Rental Tax	Beer, Wine & Liquor Tax	Local [4] Gas Tax	Cigarette & Tobacco Tax	Other Local Tax	Total
2020	\$ 26,182,775	\$ 1,246,882	\$ 271,542	\$ 604,947	\$ 548,210	\$ 228,737	\$ 299,988	\$ 29,383,081
2019	\$ 25,528,657	\$ 1,392,542	\$ 269,851	\$ 547,437	\$ 596,477	\$ 225,948	\$ 301,112	\$ 28,862,024
2018	\$ 23,546,995	\$ 1,234,281	\$ 254,383	\$ 530,004	\$ 574,232	\$ 224,746	\$ 186,324	\$ 26,550,965
2017	\$ 19,280,693	\$ 1,073,626	\$ 280,922	\$ 505,229	\$ 543,511	\$ 229,298	\$ 396,844	\$ 22,310,123
2016	\$ 14,100,815	\$ 947,769	\$ 242,378	\$ 500,065	\$ -	\$ 224,593	\$ 381,670	\$ 16,397,290
2015	\$ 13,428,794	\$ 842,600	\$ 214,152	\$ 487,707	\$ -	\$ 223,166	\$ 327,235	\$ 15,523,654
2014	\$ 12,699,430	\$ 762,915	\$ 213,921	\$ 463,604	\$ -	\$ 220,821	\$ 466,600	\$ 14,827,291
2013	\$ 12,023,754	\$ 372,655	\$ 210,237	\$ 440,682	\$ -	\$ 230,945	\$ 495,649	\$ 13,773,922
2012	\$ 11,397,278	\$ 347,104	\$ 202,374	\$ 439,594	\$ -	\$ 231,045	\$ 257,722	\$ 12,875,117
2011	\$ 10,959,261	\$ 311,008	\$ 171,182	\$ 444,150	\$ -	\$ 239,438	\$ 149,257	\$ 12,274,296

License and Permits				
Fiscal Year Ended September 30,	Business License	Building Permits	Other License & Permits	Total
2020	\$ 2,622,061	\$ 1,420,871	\$ 186,715	\$ 4,229,647
2019	\$ 2,490,968	\$ 939,435	\$ 186,058	\$ 3,616,461
2018	\$ 2,477,791	\$ 1,112,231	\$ 238,861	\$ 3,828,883
2017	\$ 2,504,014	\$ 1,006,892	\$ 209,571	\$ 3,720,477
2016	\$ 2,055,464	\$ 508,997	\$ 141,492	\$ 2,705,953
2015	\$ 1,995,807	\$ 357,150	\$ 48,107	\$ 2,401,064
2014	\$ 1,876,595	\$ 418,289	\$ 70,199	\$ 2,365,083
2013	\$ 1,753,106	\$ 346,193	\$ 42,292	\$ 2,141,591
2012	\$ 1,737,099	\$ 259,340	\$ 57,040	\$ 2,053,479
2011	\$ 1,636,442	\$ 160,109	\$ 42,636	\$ 1,839,187

Franchise Fees				
Fiscal Year Ended September 30,	Utility Tax Equivalents [5]		[6] Other Franchise Fees	Total
	Applicable Percentage	Total Amount Collected		
2020	4.25%	\$ 7,692,940	\$ 152,738	\$ 7,845,678
2019	4.25%	\$ 7,410,006	\$ 155,933	\$ 7,565,939
2018	4.25%	\$ 7,053,060	\$ 153,846	\$ 7,206,906
2017	4.25%	\$ 6,796,594	\$ 147,880	\$ 6,944,474
2016	4.25%	\$ 6,499,737	\$ 138,547	\$ 6,638,284
2015	4.25%	\$ 6,311,582	\$ 151,124	\$ 6,462,706
2014	4.25%	\$ 6,200,232	\$ 139,652	\$ 6,339,884
2013	4.25%	\$ 6,285,978	\$ 19,462	\$ 6,305,440
2012	4.25%	\$ 6,232,079	\$ 18,629	\$ 6,250,708
2011	4.25%	\$ 5,927,604	\$ 15,600	\$ 5,943,204

[1] In March 2007 the sales tax rate was increased from 1% to 2%.

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

[3] In October 2013 the lodging tax rate was increased from 4% to 7%.

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

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

[6] In 2014, Riviera Utilities began paying a franchise fee for cable services provided.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Constitutional Debt Limit	\$ 75,320,817	\$ 68,995,025	\$ 62,563,727	\$ 59,703,210	\$ 66,950,121	\$ 54,578,468	\$ 49,471,878	\$ 47,088,128	\$ 45,265,820	\$ 47,954,395
Net debt applicable to limit	<u>27,865,934</u>	<u>31,933,086</u>	<u>30,398,683</u>	<u>33,312,476</u>	<u>34,571,734</u>	<u>28,064,115</u>	<u>24,807,808</u>	<u>7,281,888</u>	<u>8,200,842</u>	<u>9,577,793</u>
Legal debt margin	<u>\$ 47,454,883</u>	<u>\$ 37,061,939</u>	<u>\$ 32,165,044</u>	<u>\$ 26,390,734</u>	<u>\$ 32,378,387</u>	<u>\$ 26,514,353</u>	<u>\$ 24,664,070</u>	<u>\$ 39,806,240</u>	<u>\$ 37,064,978</u>	<u>\$ 38,376,602</u>
Net debt as a percentage of debt limit	37.00%	46.28%	48.59%	55.80%	51.64%	51.42%	50.15%	15.46%	18.12%	19.97%

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2012	2011	2010
Special Constitutional Debt Limit	\$ 188,302,042	\$ 172,487,562	\$ 156,409,318	\$ 149,258,026	\$ 167,375,302	\$ 136,446,170	\$ 123,679,696	\$ -	\$ -	\$ -
Net debt applicable to limit	35,756,911	36,464,323	36,872,500	37,272,909	36,339,889	18,729,186	8,000,000	-	-	-
Legal debt margin	<u>\$ 152,545,131</u>	<u>\$ 136,023,239</u>	<u>\$ 119,536,818</u>	<u>\$ 111,985,117</u>	<u>\$ 131,035,413</u>	<u>\$ 117,716,984</u>	<u>\$ 115,679,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net debt as a percentage of debt limit	18.99%	21.14%	23.57%	24.97%	21.71%	13.73%	6.47%	0.00%	0.00%	0.00%

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

Fiscal Year	General Obligation Warrants	Federally Taxable 2013 Qualified Energy Conservation Bonds	Notes Payable	Leases	Total General Obligation Debt	Special Revenue Bonds	Total Governmental Activities	Business- Type Activities of Coastal Alabama Farmers' and Fishermen's Market, Inc.	Notes Payable	Total Primary Government	Total Debt as a Percentage of Personal Income	Total Debt Per Capita
2020	\$ 19,936,424	\$ 2,281,950	\$ 113,750	\$ 7,589	\$ 22,339,713	\$ 37,026,760	\$ 59,366,473	\$ 8,000,000	\$ 682,953	\$ 68,049,426	9.95%	\$ 2,696
2019	23,138,996	2,384,023	344,130	18,964	25,886,113	37,491,148	63,377,261	8,000,000	1,123,296	72,500,557	14.98%	3,614
2018	21,692,164	2,481,096	433,714	50,339	24,657,313	44,502,548	69,159,861	8,000,000	1,193,323	78,353,184	18.59%	4,239
2017	24,412,101	2,573,169	218,750	83,754	27,287,774	45,934,137	73,221,911	8,000,000	1,260,601	82,482,512	20.17%	4,632
2016	26,133,427	2,665,242	253,750	81,829	29,134,248	47,335,727	76,469,975	8,000,000	1,059,072	85,529,047	20.83%	4,940
2015	28,782,770	2,752,315	288,750	-	31,823,835	31,076,616	62,900,451	8,000,000	-	70,900,451	19.88%	4,218
2014	27,135,531	2,844,388	323,750	-	30,303,669	19,272,927	49,576,596	8,000,000	-	57,576,596	13.17%	3,087
2013	9,335,000	2,975,000	-	-	12,310,000	19,945,000	32,255,000	-	-	32,255,000	8.64%	2,039
2012	10,370,000	-	-	41,913	10,411,913	20,800,000	31,211,913	-	-	31,211,913	8.64%	2,026
2011	11,875,000	-	-	81,459	11,956,459	21,640,000	33,596,459	-	-	33,596,459	9.91%	2,229

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

Fiscal Year Ended September 30	[1] General Obligation Bonds	[2] Less: Amounts Available in Debt Service Funds	Total	[3] [4] Percentage of Estimated Actual Taxable Value of Property	[4] Per Capita
2020	\$ 22,339,713	\$ 957,470	\$ 21,382,243	5.68%	\$ 847
2019	25,886,113	771,677	25,114,436	7.25%	1,252
2018	24,657,313	1,046,395	23,610,918	7.55%	1,277
2017	27,587,774	1,034,002	26,553,772	8.79%	1,474
2016	29,134,248	1,027,614	28,106,634	9.87%	1,623
2015	31,823,835	1,007,351	30,816,484	11.29%	1,833
2014	30,303,669	666,562	29,637,107	11.99%	1,845
2013	12,310,000	249,962	12,060,038	5.34%	762
2012	10,411,913	251,463	10,160,450	4.34%	660
2011	11,956,459	336,288	11,620,171	4.38%	771

Fiscal Year Ended September 30	[5] Special Revenue Bonds	[2] Less: Amounts Available in Debt Service Funds	Total	[3] [4] Percentage of Estimated Actual Taxable Value of Property	[4] Per Capita
2020	\$ 37,026,760	\$ 1,538,488	\$ 35,488,272	9.42%	\$ 1,406
2019	37,491,148	1,617,672	35,873,476	10.40%	1,788
2018	44,502,548	2,347,330	42,155,218	13.48%	2,280
2017	45,934,137	2,326,189	43,607,948	14.61%	2,449
2016	47,335,727	1,987,698	45,348,029	15.93%	2,619
2015	31,076,616	1,803,475	29,273,141	10.73%	1,742
2014	19,272,927	1,803,150	17,469,777	7.07%	1,088
2013	19,945,000	1,803,334	18,141,666	8.03%	1,147
2012	20,800,000	1,803,477	18,996,523	8.12%	1,233
2011	21,640,000	1,884,743	19,755,257	7.44%	1,310

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

[1] Includes general bonded debt.

[2] Amount restricted for debt service principal payments.

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

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

[5] Includes special revenue debt.

CITY OF FOLEY, ALABAMA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>[1] Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
Baldwin County	\$ 132,183,210	6.53%	\$ 8,629,562
Baldwin County Board of Education	164,357,003	6.53%	10,730,024
Subtotal, overlapping debt			19,359,587
City of Foley, Alabama, direct debt			59,366,473
Total direct and overlapping debt			<u>\$ 78,726,060</u>

Source: Outstanding debt provided by each governmental unit.

[1] The Baldwin County Revenue Commission's appraisals are done a year in arrears, meaning appraisals are based on the property the way it was on October 1st of the previous year (2020 property appraisals are based on the property as it was on August 1, 2019). The percentage above represents the net assessed value of property in the City of Foley (\$337,692,420) to net assessed value of property in Baldwin County (\$5,172,599,200).

CITY OF FOLEY, ALABAMA
Population Trends / Graduation Rates

Year	City of Foley		Baldwin County	
	Population [1]	Rate of Growth	Population [2]	Rate of Growth
2020	25,245	25.8%	228,613	4.9%
2019	20,063	8.5%	218,022	2.5%
2018	18,486	3.8%	212,628	1.9%
2017	17,806	2.8%	208,563	0.8%
2016	17,315	3.0%	206,915	2.7%
2015	16,809	4.7%	201,397	0.6%
2014	16,060	1.5%	200,111	2.3%
2013	15,820	8.2%	195,540	7.3%
2010	14,618	3.1%	182,265	132.0%
2009	14,174	4.2%	*	*
2000	7,590	53.7%	140,415	42.9%
1990	4,937	23.3%	98,280	25.1%
1980	4,003	18.9%	78,556	32.3%
1970	3,368	16.6%	59,382	21.0%
1960	2,889	122.1%	49,088	19.7%
1950	1,301	N.A.	40,997	N.A.

Year	Enrollment [3][4]	Graduation Rate [5]
2020	3,465	84%
2019	4,072	83%
2018	4,266	83%
2017	4,312	79%
2016	4,379	78%
2015	3,636	75%
2014	4,050	75%
2013	3,764	74%
2012	3,768	66%
2011	3,608	67%
2000	*	*
1990	*	*
1980	*	*

Sources:

[1] Effective 2013, source is City of Foley GIS estimate. Prior years and census years source is US Census Bureau

[2] 2017 source is US Census Bureau 2016 estimates as of July 1, 2016.

[3] 2016 & 2015 Alabama State Department of Education, 2014 Homefacts, 2013 schooldigger.com (as of December)

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

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

* Indicates data not available.

CITY OF FOLEY, ALABAMA
Census Data

Year	City of Foley		Baldwin County		State of Alabama	
	Median Family Income	Per Capital Income	Median Family Income	Per Capital Income	Median Family Income	Per Capital Income
2019	\$ 58,352	\$ 27,078	\$ 58,320	\$ 32,626	\$ 64,430	\$ 27,928
2018	42,468	25,920	52,562	29,364	46,472	25,746
2017	52,264	24,126	62,271	27,317	55,341	24,091
2016	51,834	22,794	60,864	26,766	54,362	23,680
2010	50,854	22,967	58,429	26,469	52,863	22,984
2000	38,427	19,364	47,028	20,826	41,657	18,189
1990	23,717	9,498	30,199	13,306	28,688	15,723
1980	16,234	5,598	16,917	7,192	16,353	7,836

	1980	1990	2000	2010	2019
Total Housing Units	1,427	2,127	3,468	7,359	9,636
Total occupied Units	1,336	1,897	3,126	6,165	8,090
Total Owner Occupied Units	941	1,230	2,083	3,850	8,368
Median Value of Owner occupied Units	\$ 35,700	\$ 54,800	\$ 97,900	\$ 171,800	\$ 177,600

Sources: U.S. Census Bureau

Information provided is the most current as provided by the U.S. Census Bureau.

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

Fiscal Year	[1] [3] Foley	[1] Baldwin County	[1] Alabama	[2] U.S. National Average
2020	5.6%	5.6%	6.7%	7.9%
2019	2.2%	2.2%	3.0%	3.5%
2018	3.4%	3.4%	4.1%	3.7%
2017	3.0%	3.0%	3.8%	4.2%
2016	5.5%	5.5%	6.0%	4.6%
2015	5.2%	5.2%	6.0%	5.0%
2014	5.3%	6.1%	6.8%	6.2%
2013	5.7%	6.7%	7.2%	7.4%
2012	6.4%	7.5%	8.0%	8.1%
2011	7.9%	9.0%	9.7%	8.9%

Sources:

[1] Homefacts was used 2017-2011

[2] Alabama Department of Labor, Labor Market Division

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

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

Industry	Product	2020			2009		
		Approximate Employment	Rank	Percentage of Total Employment	Approximate Employment	Rank	Percentage of Total Employment
<i>Major Employers - City of Foley</i>							
Tanger Outlet Center	Retail-Mall	1,500	1	17.5%	1,350	1	n/a
Collins Aerospace (UTC Aerospace Systems) (Goodrich)	Aerospace	1,160	2	13.5%	556	4	n/a
South Baldwin Regional Medical Center	Medical Care	860	3	10.0%	650	3	n/a
City of Foley	Government	314	4	3.7%	250	6	n/a
Riviera Utilities	Utilities	275	5	3.2%	211	8	n/a
Vulcan, Inc	Manufacturing	270	6	3.2%	208	7	n/a
Starr Laundry	Laundry Services	200	7	2.3%	n/a	n/a	n/a
Baldwin County Annex	Government	150	9	1.8%	n/a	n/a	n/a
Diversicare	Medical Care	147	8	1.7%	175	10	n/a
Ascend Performance Materials / formerly Solutia Manufacturing	Manufacturing (Organic Fibers/Noncellulosic)	100	10	1.2%	n/a	n/a	n/a
Packard Hughes Interconnect	Electronic Parts	n/a	n/a	n/a	725	2	n/a
Wal-Mart Super Center (Foley)	General Retail	n/a	n/a	n/a	326	5	n/a
Solutia Manufacturing	Aluminum Castings	n/a	n/a	n/a	200	9	n/a
<i>Major Employers - Baldwin County - Outside of the City of Foley</i>							
Baldwin County Board of Education	Public Education	3,900	1	3.9%	3,428	1	4.6%
Wal-Mart Super Centers	General Retail	1,700	2	1.7%	1,715	2	2.3%
Thomas Hospital	Medical Care	1,250	3	1.2%	1,100	4	1.5%
Columbia Southern University	Higher Education	1,050	4	1.0%	n/a	n/a	n/a
Marriott Grand Hotel	Hotel & Country Club	800	5	0.8%	590	6	0.8%
Baldwin County Commission	Government	650	6	0.6%	475	7	0.6%
Publix Grocery	Grocery	560	7	0.6%	n/a	n/a	n/a
Standard Furniture	Home Furnishings	520	8	0.5%	1,400	3	1.9%
Brett-Robinson	Real Estate	520	9	0.5%	n/a	n/a	n/a
SH Enterprises	Real Estate	320	10	0.3%	n/a	n/a	n/a
DBT America	Belt Conveyor Equipment				750	5	1.0%
Meyer Real Estate	Real Estate				450	8	0.6%
Citation	Alumunium Castings				365	10	0.5%
Mercy Medical	Medical Care				425	9	0.6%

Source: Employment from South Baldwin Chamber of Commerce and total employed from US Census Bureau and University of Alabama.

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

Function/Department	Full-time Employees as of 9/30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
General Government Administration	19	19	19	19	19	18	20	19	19	19
Public Works Building	2	2	2	2	2	2	2	2	2	2
Municipal Complex	7	8	8	8	8	8	8	8	8	8
Municipal Court	6	6	6	6	6	5	5	5	5	4
Vehicle Maintenance Shop	5	5	5	4	4	4	4	4	3	3
Information & Technology	6	6	6	5	5	3	0	-	(1)	(2)
Public Safety										
Police	93	96	95	92	92	92	92	90	89	89
Fire	31	33	33	32	32	23	22	21	18	16
Community Development/Inspections	10	9	9	8	8	8	8	8	7	7
Environmental	4	3	4	3	3	2	2	2	1	1
Highways and Streets										
Street Department	31	28	28	26	26	26	21	22	21	19
Engineering Department	4	4	4	4	4	4	4	4	4	4
Sanitation	16	16	15	17	17	17	20	20	20	21
Culture and Recreation										
Parks Department	12	12	12	12	12	13	13	13	13	14
Library	12	12	12	11	11	11	11	11	10	10
Senior Center	3	3	3	3	3	3	3	3	3	3
Recreation	12	12	12	11	11	9	8	7	7	6
Visitors Center/Marketing	2	2	2	2	2	2	2	2	1	1
Horticulture	6	6	5	5	5	5	5	3	3	0
Sports Tourism	14	13	12	10	7	2	2	0	0	0
Nature Parks	2	2	0	0	0	0	0	0	0	0
Economic Development	0	0	0	2	2	2	2	2	1	1
Total	297	297	292	282	279	259	254	241	237	231

Source: Human Resources Division

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>General Government:</u>										
Business License Issued	3,378	3,414	3,390	3,350	3,168	2,980	3,006	2,868	2,764	2,638
<i>Municipal Complex</i>										
Custodial locations served	10	10	*	*	*	*	*	*	*	*
Structures maintained	71	71	*	*	*	*	*	*	*	*
<u>Public Safety:</u>										
<i>Police</i>										
Arrests	1,839	2,166	2,272	2,165	2,063	1,775	1,461	1,493	1,867	1,721
Traffic cases filed	2,319	4,491	4,491	4,447	4,660	3,799	3,824	3,685	4,758	5,537
Calls for service	43,747	58,051	66,753	65,627	64,076	61,886	55,847	58,249	50,776	49,008
<i>Fire</i>										
Emergency responses (2)	2,087	1,605	1,655	1,481	1,493	1,284	1,273	1,035	939	1,150
Inspections (2)	2,608	3,428	2,469	3,722	3,207	3,074	2,775	2,222	2,238	1,844
Public relation/education contacts (2)	11,683	9,429	12,335	10,956	6,788	4,063	3,538	7,569	5,676	8,715
<i>Community Development Department</i>										
Building permits	3,711	2,406	2,416	2,402	1,947	1,433	1,479	1,441	1,024	877
Single family	571	256	270	261	235	148	164	150	84	55
Duplex/multi-family	128	234	428	30	14	4	-	4	-	-
New commercial	19	13	20	78	20	16	10	4	6	3
<i>Environmental</i>										
Permits issued	625	308	316	*	*	*	*	*	*	*
Permit inspections	688	270	275	*	*	*	*	*	*	*
Complaints	190	122	157	*	*	*	*	*	*	*
Water samples-chemistry	105	33	*	*	*	*	*	*	*	*
Water samples-bacteria	31	12	*	*	*	*	*	*	*	*
State permit inspections	106	43	50	*	*	*	*	*	*	*
<u>Sanitation:</u>										
Tons collected and disposed:										
Refuse	8,308	7,271	6,746	6,810	6,656	5,955	6,214	6,284	6,772	*
Recyclables	341	391	369	531	523	455	393	311	335	420
Households served	7,329	6,940	6,583	6,402	6,131	5,951	5,813	5,694	5,180	5,087
Commercial/special accounts served	366	368	345	359	322	365	358	364	309	307
Contracted commercial dumpster accounts served	410	397	384	379	366	341	331	288	269	261
<u>Culture and Recreation</u>										
<i>Recreation Department:</i>										
Youth Programs Offered	7	7	7	7	7	7	6	6	6	6
Youth Program Participants	1,072	1,416	1,477	1,552	1,654	1,570	1,479	1,215	1,144	1,103
Tournaments Held	8	8	16	27	27	30	26	20	15	9
<i>Senior Center</i>										
Members (1)	745	720	754	770	616	605	608	600	568	549
Senior/community programs	42	54	49	48	47	49	43	45	*	33
Senior program participants	11,254	21,052	21,436	21,538	20,312	19,625	19,663	18,679	*	16,751

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>Library</i>										
Total items circulated	1,151,268	1,181,974	1,058,122	1,008,400	787,517	761,601	825,599	531,622	478,261	446,879
Patrol visits	266,837	425,750	360,643	415,870	421,448	562,261	593,458	518,734	412,653	351,872
Volumns in collection	86,236	84,849	83,563	83,225	81,881	72,470	80,069	79,335	77,159	72,223
Program attendance	31,081	24,655	21,339	19,858	17,502	15,550	14,807	10,395	10,182	8,023
<i>Welcome Center - Total visits</i>										
Patron visits (3)	3,286	5,948	6,287	5,837	5,559	6,294	10,287	11,788	9,700	8,579
Holmes Medical Museum visitors	6,582	8,920	7,233	*	*	*	*	*	*	*
Foley Depot Museum visitors	10,730	17,832	11,265	*	*	*	*	*	*	*
Model Train visitors	11,733	26,356	27,469	*	*	*	*	*	*	*
Website hits										
Visit Foley	80,787	159,173	76,601	77,951	80,445	61,634	45,294	*	*	*
City of Foley	227,466	193,640	110,517	*	*	*	*	*	*	*
<i>Horticulture</i>										
Tree City Program - trees planted	726	613	524	2,804	498	124	27	70	75	75
Plants - grown and planted	14,600	27,300	23,200	22,300	22,500	22,000	23,000	*	*	*
<i>Nature Parks</i>										
Explore & Observe Programs offered	12	25	24	25	25	24	*	*	*	*
Explore & Observe Programs attendance	315	1,278	1,162	1,000	500	336	*	*	*	*
Field Trips/Camps/Workshops offered	24	43	37	47	26	33	*	*	*	*
Field Trips/Camps/Workshops attendance	1,657	3,120	3,734	3,725	1,216	940	*	*	*	*
Events booked	15	34	28	21	15	8	*	*	*	*
Events attendance	8,600	14,500	14,000	12,000	7,524	1,287	*	*	*	*
<i>Sports Tourism</i>										
Events booked	51	93	82	36	44	13	1	*	*	*
Events attendance	54,150	166,339	78,458	18,357	18,000	6,000	50	*	*	*
Visitors to Foley	271,670	*	*	*	*	*	*	*	*	*

* Information was not readily available for all operating indicators

(1) Years prior to 2011 are presented by calendar year and 2011 forward by fiscal year

(2) Presented by calendar year

(3) The visitor center had two locations from 2011 to 2014, and one location 2015 forward.

Sources: Various City Departments

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

	Fiscal Year									
	2020	2019**	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Number of governmental buildings	12	13	16	15	15	16	16	16	13	13
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of community development offices	1	1	-	-	-	-	-	-	-	-
Highways and Streets:										
Miles of streets	161	159	154	153	148	147	146	145	*	*
Number of street lights	2,891	2,886	2,884	2,874	2,849	2,841	2,827	2,822	*	*
Miles of sidewalks	37	37	37	37	35	30	15	14	*	*
Engineering department offices	1	1	-	-	-	-	-	-	-	-
Sanitation:										
Number of garbage trucks	6	7	7	7	7	7	8	6	5	5
Number of recycle trucks	1	1	1	1	1	2	2	2	2	2
Culture and Recreation										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of senior activity centers	1	1	1	1	1	1	1	1	1	1
Number of park offices and public parks	19	19	13	13	14	13	13	10	10	9
Number of welcome centers	1	1	1	1	1	1	2	2	2	2

Source: Various City departments

* 2013 was the first of CAFR presentation and information was not readily available for all operating indicators

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

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COMPLIANCE SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Foley, Alabama ("the City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 22, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Warren Averett, LLC

Foley, Alabama
January 22, 2021

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

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

Report on Compliance for the Major Federal Program

We have audited City of Foley, Alabama ("the City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, City of Foley, Alabama complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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

Warren Averett, LLC

Foley, Alabama
January 22, 2021

CITY OF FOLEY, ALABAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020

Grantor and Program Title	Federal CFDA Number	Cluster Name	Contract / Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF COMMERCE						
Passed Through from: Alabama Department of Conversation and Natural Resources, State Lands Division						
Coastal Zone Management Administration Awards	11.419	N/A	FOLEY-CZM-306-20-1		\$ -	\$ 8,325
Coastal Zone Management Administration Awards	11.419	N/A	FOLEY-CZM-306a-20-1		-	800
						<u>9,125</u>
U.S. DEPARTMENT OF INTERIOR						
Passed Through From: Alabama Historical Commission						
Historic Preservation Fund Grants-in-Aid	15.904	N/A	AL-19-10018		-	5,000
U.S. DEPARTMENT OF JUSTICE						
Direct Programs						
Bullet Proof Vest Partnership Program	16.607	N/A	2019 Bulletproof Vest Grant Award		-	5,108
Passed Through From: Baldwin County Drug Task Force		N/A				
Mobile Safe Streets Task Force	16.738	N/A	281D-MO-A6033973		-	8,186
Passed Through From: Baldwin County Drug Task Force						
Joint Law Enforcement Operations	16.111	N/A	OCDETF 248D-MO-6150984		-	2,740
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
Direct Programs						
National Leadership Grants for Museums	45.312	N/A	CAGML-246659-OMLS-20		-	11,320
Passed Through From: Alabama Public Library Services						
Library Technology & Automation	45.310	N/A	LSTA 20-6-4		-	12,000
						<u>23,320</u>
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Programs						
Airport Improvements	20.106	N/A	3-01-0031-016-2018		-	49,142
Airport Improvements	20.106	N/A	3-01-0031-017-2019		-	453,730
Airport Improvements	20.106	N/A	3-01-0031-018-2020		-	38,833
COVID-19 Airport Improvements	20.106	N/A	3-01-0031-019-2020		-	27,520
						<u>569,225</u>
Passed Through From: Alabama Department of Transportation						
Federal-Aid Highway Program	20.205	Highway Planning and Construction	ATRIP #02-05-44		-	543,498
Federal-Aid Highway Program	20.205	Highway Planning and Construction	HSIP-0219(250)		-	160,629
			Total Highway Planning and Construction Cluster			<u>704,127</u>
Passed Through From: ADECA & Southwest Alabama Regional Highway Safety Office						
Selective Traffic Enforcement Program (STEP)	20.600	Highway Safety Cluster	18-SP-PT-004		-	10,009
Hot Spot Impaired Driving Program	20.616	Highway Safety Cluster	18-HD-M5-004		-	9,212
			Total Highway Safety Cluster			<u>19,221</u>
U.S. DEPARTMENT OF TREASURY						
Passed Through From: Alabama Department of Finance						
COVID-19 Coronavirus Relief Fund	21.019	N/A	CARES ACT Reimbursements		-	365,790
			Total			<u>365,790</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ -	<u><u>\$ 1,711,842</u></u>

CITY OF FOLEY, ALABAMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Foley under programs of the federal government for the year ended September 30, 2020. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. The City of Foley did not elect to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF FOLEY, ALABAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes ☒ no
Significant deficiency (ies) identified that are not considered to be material weakness(es)?	___ yes ☒ none reported
Noncompliance material to financial statements noted?	___ yes ☒ no

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	___ yes ☒ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ yes ☒ none reported
Type of auditors' report issued on compliance for major program:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	___ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

U. S. Department of Transportation – Federal Aviation Administration (Airport Improvement Program)	CFDA #20.106
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	☒ yes ___ no

**CITY OF FOLEY, ALABAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
SEPTEMBER 30, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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