

City of Gulf Shores, Alabama

POPULAR ANNUAL FINANCIAL REPORT

Year Ended December 31, 2020



*Gulf Place
Gulf Shores Public Beach*



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About this Report

The Popular Annual Financial Report (PAFR) of the City of Gulf Shores is displayed to translate between the gap of our financial reporting and the understanding of the general public through a user-friendly format. While reading this if you have any recommendations, concerns or thoughts, please reach out to us.

The PAFR summarizes and draws from information that can already be found in the Annual Financial Report. The City is in compliance with GAAP (Generally Accepted Accounting Principles) when preparing the Annual Financial Report and then it is independently audited by Grant, Sanders and Taylor, P.C (A local public accounting firm). Our PAFR however is not presented in GAAP format nor is it put through an audit process. The PAFR does not include all information on the City's funds or the component units found within the Annual Financial Report. However we are confident to the best of our knowledge that the condensed financial information provided will give you insight into your city in regards to the financial position and results of operation for the fiscal year ending **December 31, 2020.**

If you desire to view our Annual Financial Report it may be found online at <https://www.gulfshoresal.gov/ArchiveCenter/ViewFile/Item/71>.



Mayor & Council

The City is a municipal corporation incorporated under the Constitution and laws of the State of Alabama. The City is governed by a Council consisting of a mayor and five council members elected for terms of four years. Members of the City Council serve part-time and are responsible for adopting ordinances, resolutions and setting the policies of the City, including the appropriation of money. The Mayor, who is a member of the City Council, is elected for a four-year term and is the chief administrative officer of the City.

Government Profile and More Facts

The Town of Gulf Shores was incorporated on February 12, 1957 and became a city on April 18, 1985.

Gulf Shores is a world-class all-seasons resort area on the white sandy beaches of the southern tip of Baldwin County, Alabama on the warm waters of the Gulf of Mexico. The land area is 28.28 square miles and the water area is 4.76 square miles. The average annual temperature is 69 degrees.

The daily operations of the City are run by the City Administrator responsible to the Mayor and Council. The City's municipal services include police and fire protection, public works, recreation and cultural affairs, library, recreation center, planning and zoning, building, economic development, municipal court and general administrative services.



Top row left to right: Steve Jones, Joe Garris, Jason Dyken, Gary Sinak
Bottom row: Phillip Harris, Mayor Robert Craft

Just the Facts

Our Citizens and the Economy

- Residents 15,014 (1,452 Veterans)
- Median Household Income¹ \$50,306
- Persons in Poverty¹ 5.9%
- Per Capita Income \$37,108

¹U.S. Census Bureau Quick Facts

All values in this section are up to 2019

Education

- High School Graduates¹ 96.1%
- Bachelor's Degree or Higher¹ 35.2%

¹U.S. Census Bureau Quick Facts

Geographic Characteristics

- Land Area 28.28 SQ Miles
- Water Area 4.76 SQ Miles
- Avg. Annual Temperatures 69 Degrees
- Avg. Annual Rainfall 61.57 Inches
- Elevation 8 Feet

Top Ten Employers in Gulf Shores

Employer	Total Employees	FT	PT
1. The Hangout	735	35	700
2. City of Gulf Shores	345	291	54
3. Waterville	330	20	310
4. Lulus Landing, Inc	271	106	165
5. The Lodge at Gulf State Park	269	222	47
6. Wal-Mart	240	202	38
7. Gulf Shores Public Schools	237	225	12
8. Rouse's Enterprises	185	185	0
9. Publix Alabama	155	65	90
10. Gulf State Park	115	115	0

Gulf Shores licensed 9,204 types of businesses in 2020

FT=Full Time

Total Employees – FT = Part Time

Governmental Activities



Executive



Human Resources



**Finance and
Administrative
Services**



Building



**Planning and
Zoning**



Municipal Court



Police



Fire Rescue



**Recreation and
Cultural Affairs**



**Public Works and
Engineering**

Component Units



Gulf Shores City School System



Jack Edwards Airport/Airport Authority

The financial reporting entity (the City) includes all the funds of the primary government as well as the discretely presented component units of the Gulf Shores City School System, the Jack Edwards Airport, and Airport Authority.

The PAFR does not include information on the component units, unless referenced.

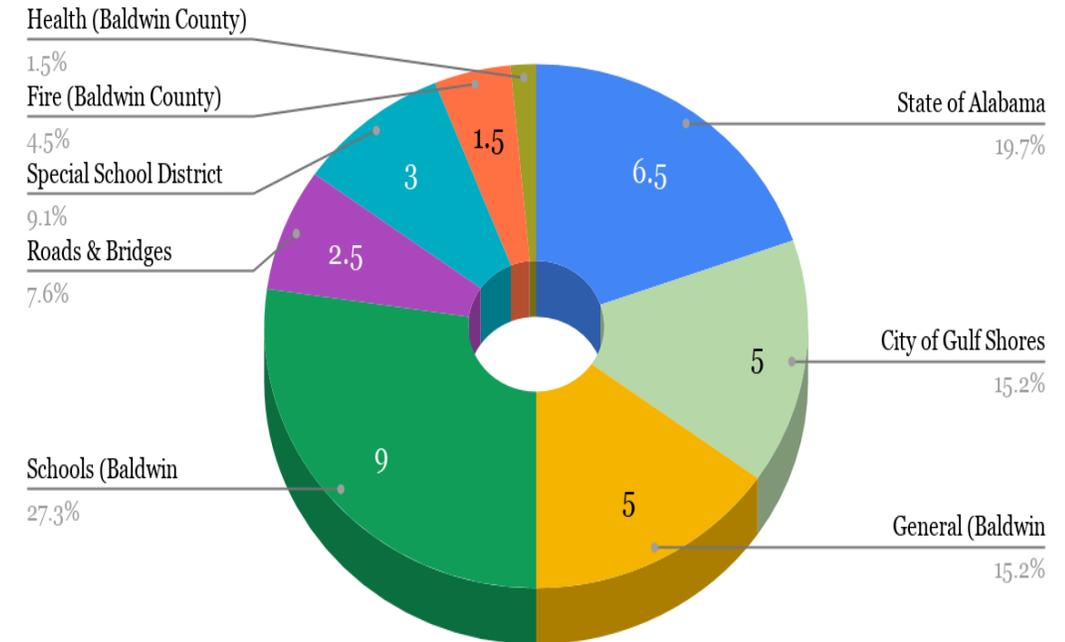
Operating Indicators by Function/Department

		2016	2017	2018	2019	2020
General Government	Building Permits Issued	782	896	1,295	998	1,879
	Building Inspections Conducted	3,098	3,914	6,246	7,602	5,783
	Business Licenses Issued	7,974	8,392	8,555	8,658	8,741
Police	Physical Arrests	2,048	1,879	1,831	970	994
	Traffic Violations	2,029	2,058	2,124	1,539	1,021
	Officers	47	47	50	50	51
Fire	Emergency Responses	3,146	3,149	3,297	3,090	3,335
	Fires Extinguished	83	54	63	72	71
	Inspections	1,975	1,950	1,650	2,110	1,160
	Full Time Staff	44	46	48	55	56
	Volunteer Firefighters	10	4	0	34	34
Engineering	Street Resurfacing (linear feet)	8,200	8,100	5,510	8,960	31,500
	Sidewalks (linear feet)	1,600	10,760	3,265	4,950	267
	Bike Lanes (linear feet)	780	2,800	40,800	11,800	19,200

Property Tax Collections and Distribution

Fiscal Year	Taxes Levied for the Year	Taxable Property Assessed Valuation	Current Collections	Subsequent Collections	Total Collections	Percent Parcels Paid
2020	3,792,564	790,117,460	3,930,206	0	3,930,206	99.76%
2019	3,653,718	734,155,980	3,652,684	3,970	3,656,654	99.82%
2018	3,327,805	668,109,200	3,326,030	166	3,326,196	99.90%
2017	3,074,056	616,090,320	3,071,391	1,591	3,072,975	99.84%
2016	2,822,072	566,085,720	2,820,939	380	2,821,319	99.84%
2015	2,666,050	534,967,860	2,664,330	466	2,664,796	99.75%
2014	2,491,031	499,994,940	2,487,820	1,388	2,489,208	99.72%
2013	2,390,195	478,341,860	2,385,827	1,288	2,387,115	99.66%
2012	2,335,949	468,268,740	2,330,828	1,173	2,332,001	99.72%
2011	2,443,936	487,433,360	2,432,011	4,275	2,436,286	99.44%

Property Tax Distribution



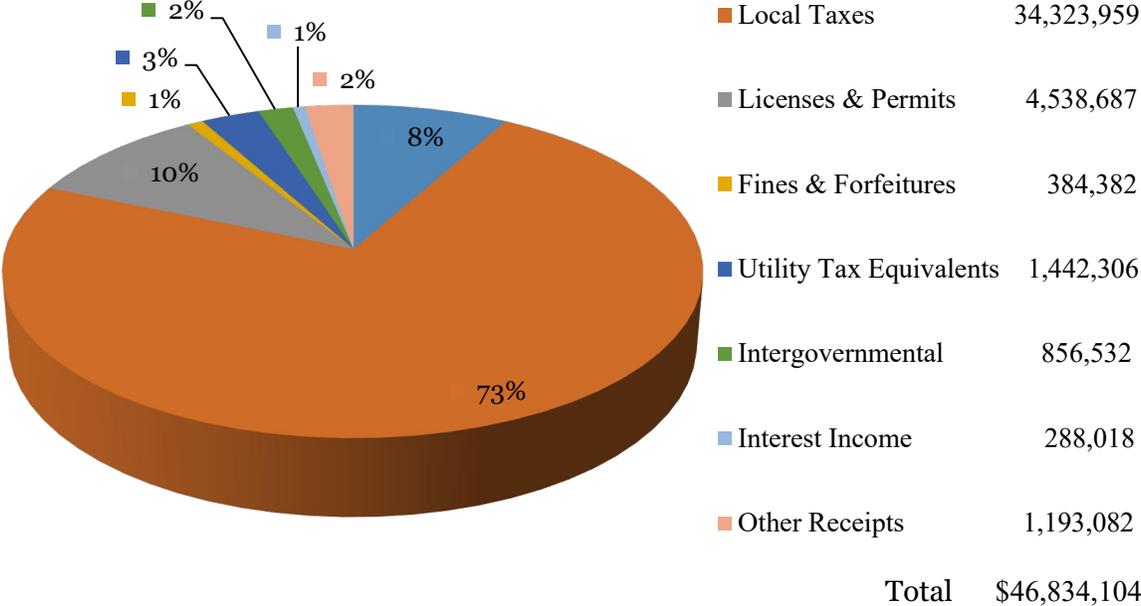
The total property tax mills collected is 33
 The Pie Chart above shows the distribution by Governmental entity of total mills collected and percentage.

Principal Property Taxpayers

Taxpayer	Taxable Assessed Value	Rank	% of Total City Taxable Assessed Value
100 Emerald Greens LLC UC Funds	\$9,095,560	1	1.24%
Mid America Apartments LP	\$7,166,000	2	0.98%
Baldwin Co Electric	\$6,004,820	3	0.82%
RCG-Gulf Shores LLC	\$5,065,660	4	0.69%
Villas at Bon Secour	\$3,675,580	5	0.50%
21300 Sweetwater LLC	\$3,621,660	6	0.49%
Howard Resort Inns INC	\$2,975,520	7	0.41%
Walmart Real Estate Business Trust	\$2,802,980	8	0.38%
Beach Place Development LLC	\$2,490,000	9	0.34%
Waterville USA Inc	\$2,480,860	10	0.34%

General Fund Revenue Sources

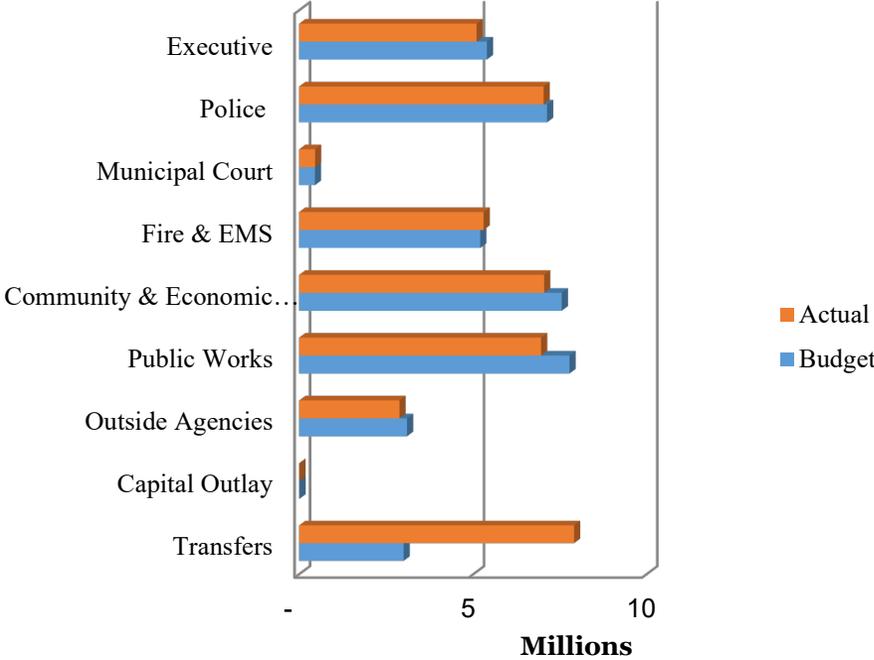
Governmental Revenue Sources for Fiscal Year 2020



Property, sales, lodging, and business license taxes comprise 83% of all revenue collections. The largest collection is sales tax.

Departmental Budget Performance

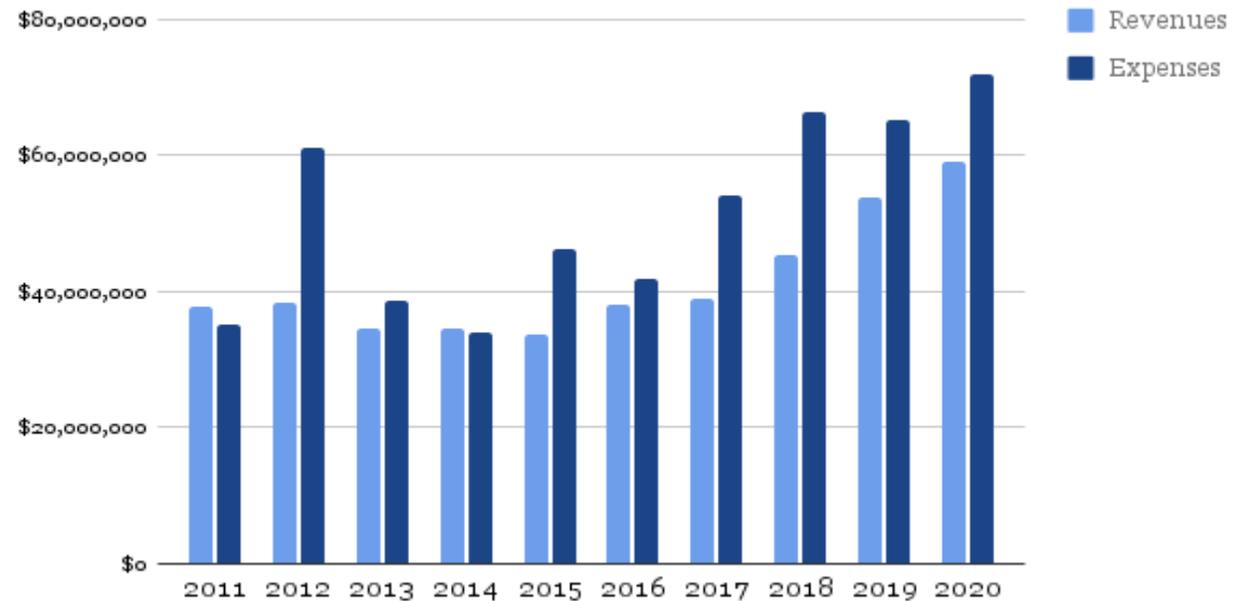
General Fund Departmental Budget to Actual 2020



By careful management of resources the city's departments almost always operate within their budgets. Transfers represents amounts going to debt service payments.

Revenues & Expenses

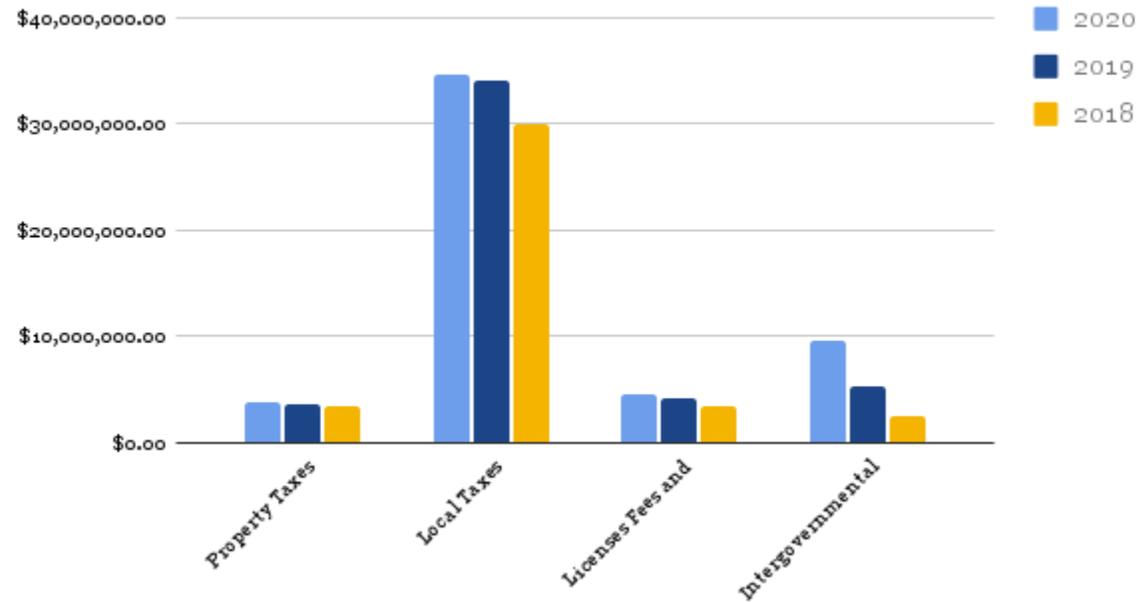
10 Year Historical Perspective of Revenues and Expenses



Expenses in excess of revenues reflects borrowing for bond issuances, however fund balances have continued to increase since 2010. The total amount borrowed reflects as an expense in the year that it is borrowed and the repayment will occur over a period of years.

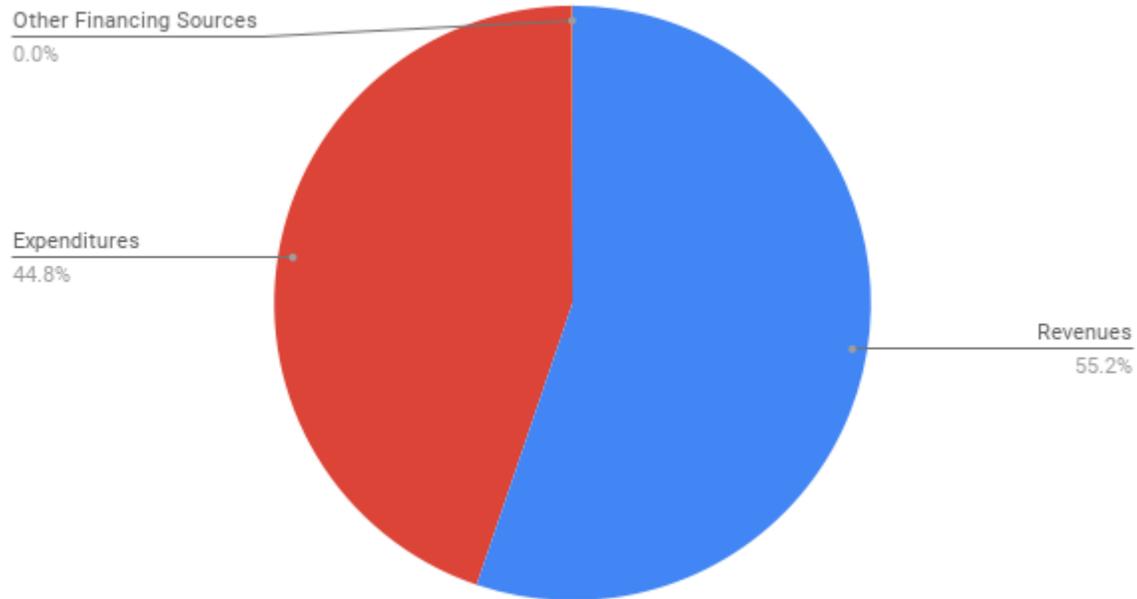
The chart above shows 10 years of revenues vs. expenses and the chart on the left shows 3 year trends for our major revenues

Major Revenues 3 year trends

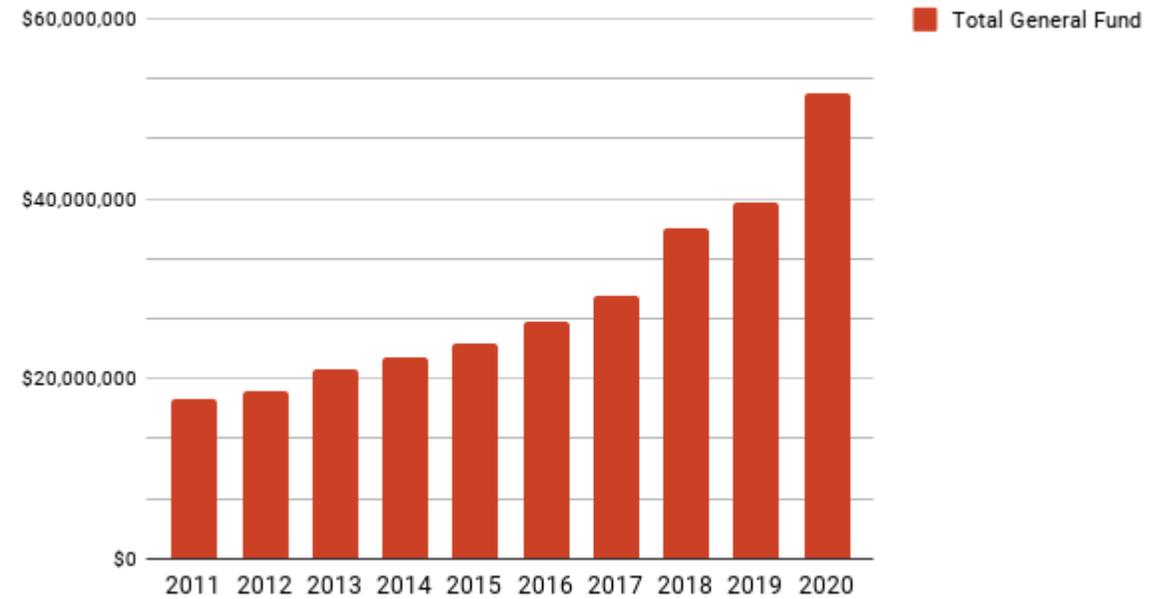


Fund Balances

General Fund pie chart: revenue earned vs expenses paid in 2020



General Fund Balance



General Fund In 2020

Revenues = \$42,859,907

Expenditures = \$34,742,533

The City's balance sheet reflects the City's financial condition as of January 1, 2021. The balance sheet is a summary of what the City owns (assets and deferred outflows) and owes (liabilities and deferred inflows). The chart on the right shows 10 years of General Fund balances.

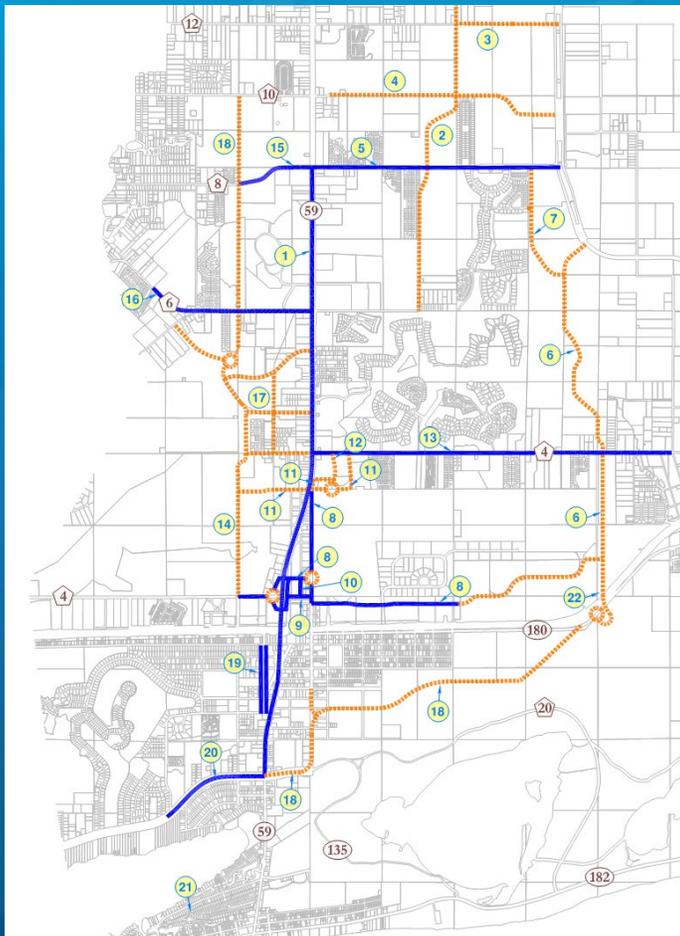
Major Projects



Roadway and Pedestrian Infrastructure
\$10.8 million
Coastal Gateway Boulevard

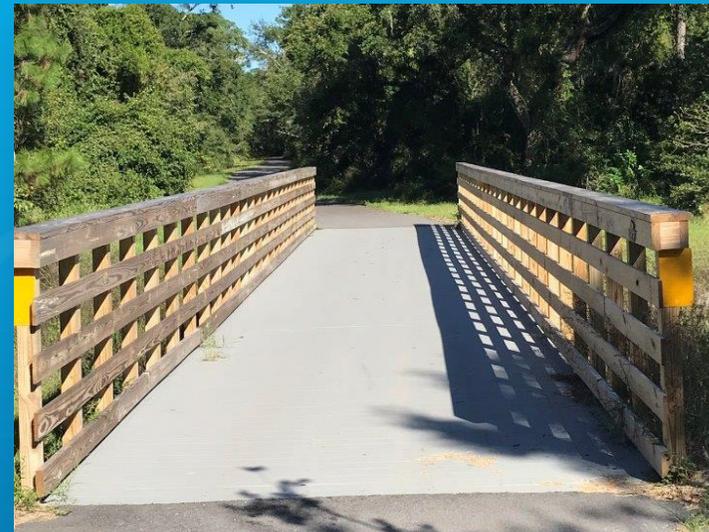


Roadway and Pedestrian Infrastructure
\$1.6 million
West Lagoon Ave

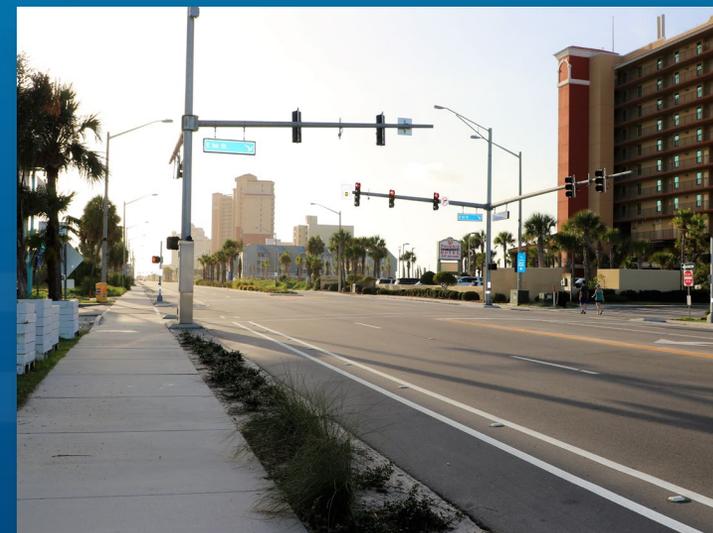


Planning & Design
\$93,000

Adoption of the Major Street Plan



Trail Widening & Resurfacing
\$500,000
Ft. Morgan Trail



Traffic Signals and Pedestrian Improvements
\$5.8 million
Hwy 182 Ped & Signal Improvements

Five Critical Actions of Focus for Vision 2025 (5 year plan)

MEDICAL – In 2020, the City announced and broke ground on a new regional healthcare facility to be built to serve the Alabama Gulf Coast. The development of this new facility will be the culmination of an ongoing regional cooperative effort.

GULF STATE PARK –The State of Alabama completed construction of a 350 room Hilton-branded lodge, 180 seat restaurant and 40,000 square foot conference facility that opened fall 2018. Over 9 miles of new pedestrian- and bike-friendly trails are currently being completed within Gulf State Park.

GULF BEACH DISTRICT – In 2020, the City completed new, safer pedestrian and bicycle pathways from West Lagoon Avenue to Little Lagoon Park.



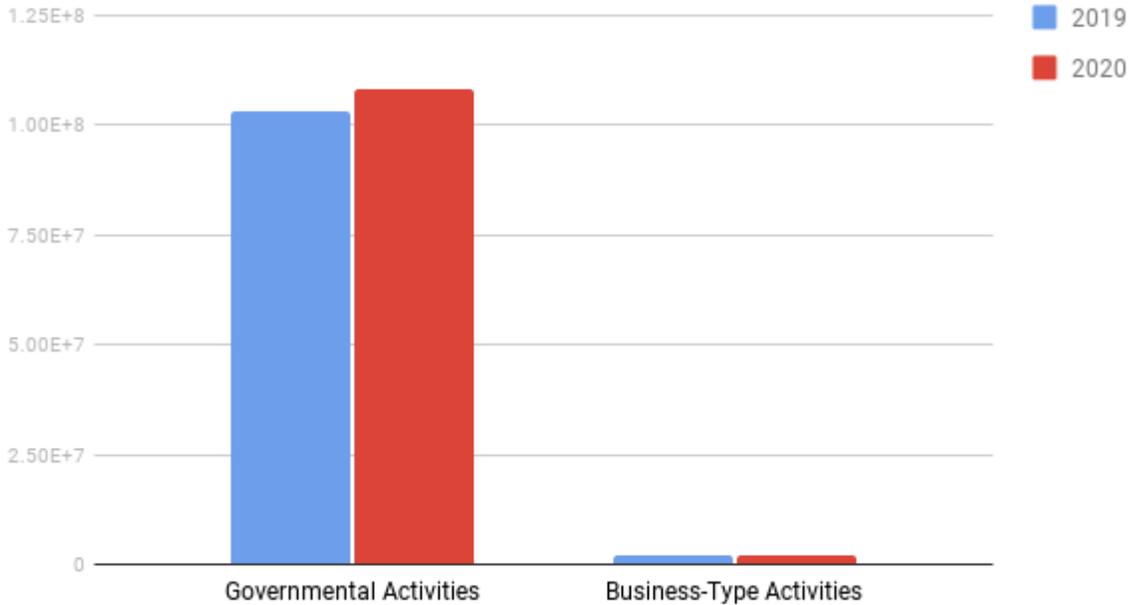
EDUCATION – In 2020, Gulf Shores City Schools started the second year as the first independent city school system in Baldwin County. The City secured \$17 million borrowed funds for renovations and improvements to the school campuses to enhance safety, security, vehicle and pedestrian circulation, and the overall learning environment.

WATERWAY DISTRICT – In 2020, the Gulf Shores Airport Authority broke ground on air traffic control tower and commercial flight terminal at Jack Edwards National Airport to further efforts to establish regional commercial flights to and from Gulf Shores.

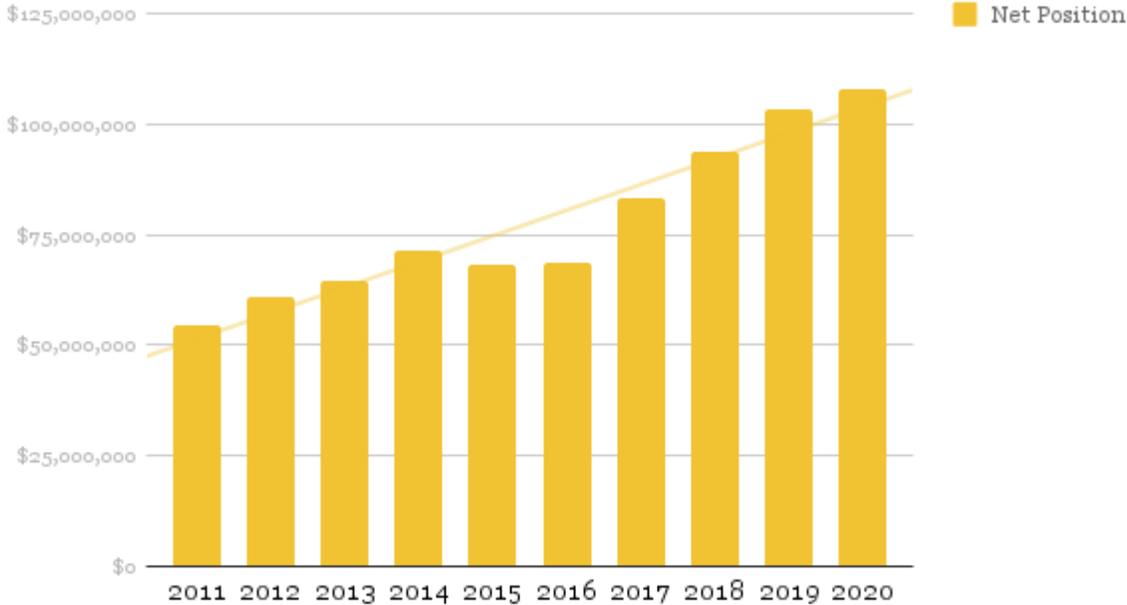
More information on the City's 5 year Strategic Plan is available starting on page 28 of the 2021 Budget and is available on the City website at <https://www.gulfshoresal.gov/ArchiveCenter/ViewFile/Item/70>.

Capital Assets

Net Capital Position



Government Net Position over 10 Years



At December 31, 2020, the City of Gulf Shores reported net capital position of \$107,976,449 from governmental activities, an increase of \$4,692,730 from the adjusted governmental activities capital assets net for December 31, 2019. Net capital position from business-type activities is reported as \$2,076,397 which is an increase of \$104,550 from December 31, 2019.

Debt & Debt Repayment

	Moody's	Standard & Poor's
Best Quality	<u>Aaa</u>	AAA
High Quality	Aa1	AA+
	Aa2	AA
	Aa3	AA-
Upper Medium Quality	A1	A+
	A2	A
	A3	A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-

As of year-end, the City had \$108,999,693 in debt outstanding which includes long term compensated absences of \$1,912,310 compared to \$91,213,984 for the prior year. All debt service payments were made timely. The City's outstanding debt is rated Aa2 by Moody's and AA+ by S&P. The City is able to save money by borrowing at lower rates due to high quality ratings.

Warrant	Final Payment	Moody's	S&P
2006-B G.O.	12/15/2025	Aa2	AA+/Stable
2008-A G.O.	12/15/2028	Aa2	AA+/Stable
2012-D G.O.	12/15/2021	Aa2	AA+/Stable
2017-A G.O.	12/15/2027	Aa2	AA+/Stable
2018-A G.O.	12/15/2038	Aa2	AA+/Stable
2018-B G.O.	12/15/2033	Aa2	AA+/Stable