

City of Gulf Shores, Alabama

# POPULAR ANNUAL FINANCIAL REPORT

Year Ended December 31, 2024



*Little Lagoon  
Gulf Shores, AL*

CITY OF  
**GULF SHORES**<sup>TM</sup>  
ALABAMA

[www.gulfshoresal.com](http://www.gulfshoresal.com)

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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 Comprehensive 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, 2024.

The City of Gulf Shores received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the 2023 PAFR and will submit the 2024 PAFR for award consideration to GFOA.



Mayor Robert Craft

If you desire to view our Annual Comprehensive Financial Report it may be found online at <https://www.gulfshoresal.gov/ArchiveCenter/ViewFile/Item/83>

# 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 five years. The current term for the Mayor and Council members is five years due to the State of Alabama legislative change for the 2024 election to be delayed until 2025. 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 five year term and is the chief administrative officer of the City.



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

## 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 28.34 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.





Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**City of Gulf Shores  
Alabama**

For its Annual Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

# Just the Facts

## Our Citizens and the Economy

- **Residents** 17,431 (1,673 Veterans)
- **Median Household Income<sup>1</sup>** \$73,873 **Median Age** 50.4 Years
- **Persons in Poverty<sup>1</sup>** 10.6% **Unemployment Rate** 2.7%
- **Per Capita Income** \$44,451 **Average Home Value** \$465,139

<sup>1</sup>U.S. Census Bureau Quick Facts All values in this section are as of 2024

## Education

- **High School Graduates<sup>1</sup>** 95.2%
- **Bachelor's Degree or Higher<sup>1</sup>** 38.2%

<sup>1</sup>U.S. Census Bureau Quick Facts

## Geographic Characteristics

- **Land Area** 28.34 SQ Miles
- **Water Area** 4.76 SQ Miles
- **Avg. Annual Temperatures** 69 Degrees
- **Avg. Annual Rainfall** 64 Inches
- **Elevation** 8 Feet

## Top Ten Employers in Gulf Shores

Employer	Total Employees	FT	PT
1. City of Gulf Shores	399	326	73
2. Gulf Shores City Schools	307	292	15
3. The Lodge at Gulf State Park	306	221	85
4. Wal-Mart	299	243	56
5. The Hangout	266	26	240
6. Waterville	240	17	223
7. Lulu's Gulf Shores	237	128	109
8. Publix Alabama	138	65	73
9. Gulf State Park	113	92	21
10. Rouse's Enterprises	105	37	68

Gulf Shores licensed 9,958 types of businesses in 2024

FT= Full Time

Total Employees – FT = Part Time (PT)

# Governmental Activities



**Gulf Coast Center for Ecotourism**



**Public Works**



**Beach Safety**



**Special Events & Programs**

# Component Units



## Gulf Shores City School System

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 Gulf Shores International Airport, and Airport Authority. Component units are a legally separate organizations for which the City is financially accountable.

The PAFR does not include information on the component units, unless referenced. At right is the beginning of construction for the new Airport Hangar for the first commercial airline in Gulf Shores.



## Gulf Shores International Airport at Jack Edwards Field

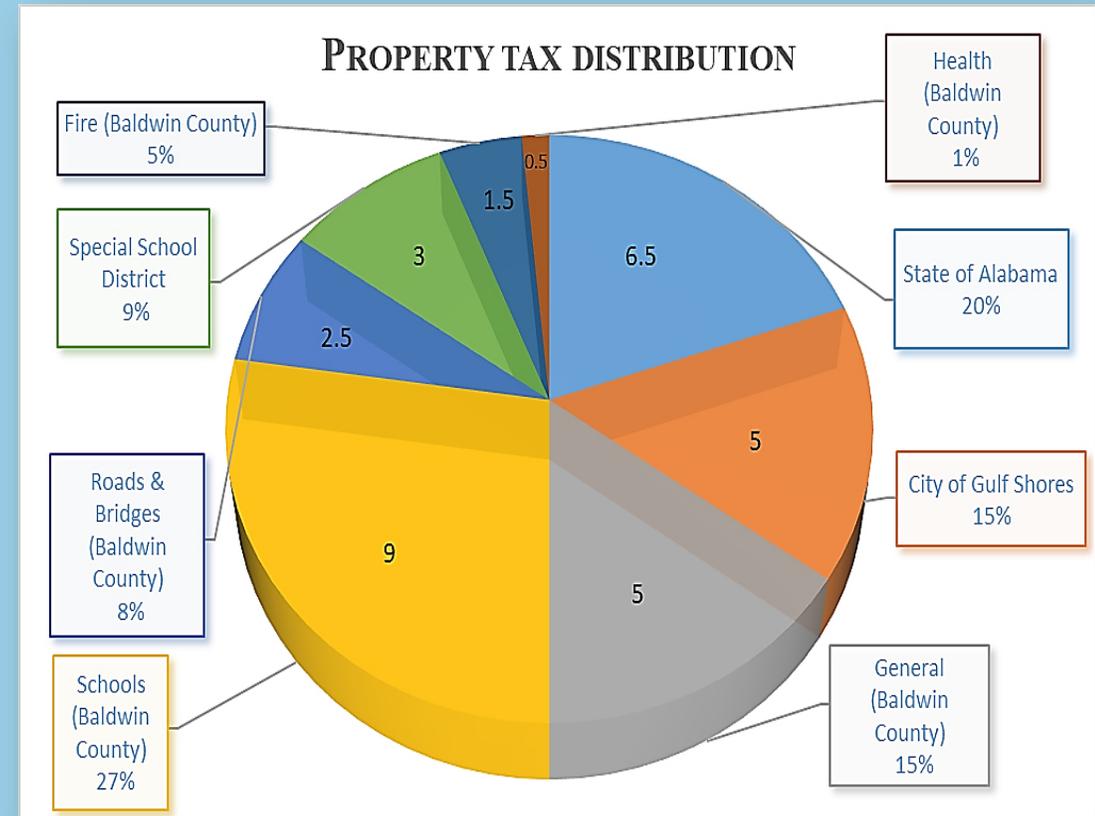


# Operating Indicators by Function/Department

		2020	2021	2022	2023	2024
<b>General Government</b>	Building Permits Issued	1,879	2,131	1,477	1,317	951
	Building Inspections Conducted	5,783	7,590	8,071	10,481	5,706
	Business Licenses Issued	8,741	9,175	9,443	8,792	9,897
<b>Police</b>						
	Physical Arrests	994	1,455	1,652	1,198	1,426
	Traffic Violations	1,021	1,652	1,367	1,904	2,126
	Officers	51	52	52	57	65
<b>Fire</b>						
	Emergency Responses	3,335	4,195	3,811	4,250	4,030
	Fires Extinguished	71	77	74	44	54
	Community Risk Reduction	1,160	2,098	3,265	2,943	2,677
	Full Time Staff	56	56	66	72	72
	Seasonal Lifeguards/Rangers	34	34	34	37	40
<b>Engineering</b>	Street Resurfacing (linear feet)	31,500	12,550	26,256	17,005	19,625
	Sidewalks (linear feet)	267	4,467	3,403	510	90
	Bike Lanes (linear feet)	19,200	9,420	7,200	0	3,900

# Property Tax Collections and Distribution

Fiscal Year	Taxes Levied for the Year	Taxable Property Assessed Valuation	Current Collection	Subsequent Collections	Total Collections	Percent Parcels Paid
2024	6,900,928	1,388,938,060	6,744,895	0	6,744,895	97.83%
2023	6,351,223	1,293,320,740	6,347,610	386	6,347,996	99.53%
2022	5,082,027	1,020,593,160	5,079,431	(448.4)	5,078,982	99.84%
2021	4,073,80	818,167,820	4,073,713	(2,805)	4,070,908	99.39%
2020	3,930,996	790,117,460	3,924,775	1,520	3,926,295	99.35%
2019	3,650,681	734,155,980	3,635,767	10,378	3,646,145	99.37%
2018	3,328,239	668,109,200	3,325,733	603	3,326,336	99.38%
2017	3,067,911	616,090,320	3,059,101	6,249	3,065,350	99.29%
2016	2,825,116	566,085,720	2,818,862	3,255	2,822,117	98.94%
2015	2,665,339	534,967,860	2,661,867	1,604	2,663,471	99.11%



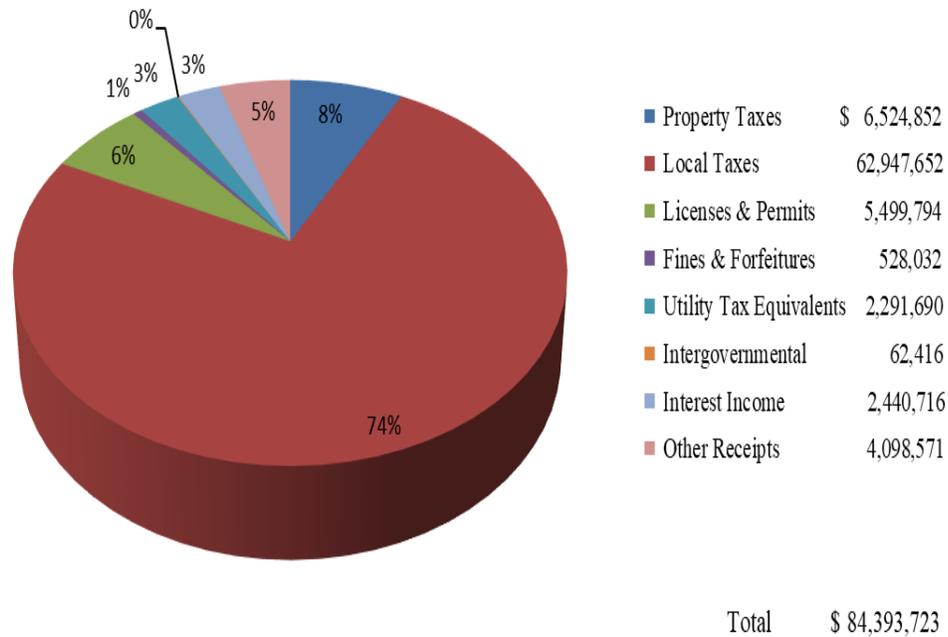
The total property tax mills collected is 33. The Pie Chart above shows the distribution by Governmental entity of total mills collected and percentage.

# Principal Property Taxpayers

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>% of Total City Taxable Assessed Value</b>
<b>100 Emerald Greens LLC UC Funds</b>	<b>\$10,360,560</b>	<b>1</b>	<b>.75%</b>
<b>Mid America Apartments LP</b>	<b>\$9,233,700</b>	<b>2</b>	<b>.66%</b>
<b>Phoenix Gulf Shores II LLC</b>	<b>\$7,448,540</b>	<b>3</b>	<b>.54%</b>
<b>Baldwin County Electric</b>	<b>\$7,341,140</b>	<b>4</b>	<b>.51%</b>
<b>Regency Place LLC</b>	<b>\$7,145,820</b>	<b>5</b>	<b>.53%</b>
<b>21300 Sweetwater LLC</b>	<b>\$5,258,960</b>	<b>6</b>	<b>.41%</b>
<b>Villas at Bon Secour</b>	<b>\$4,894,460</b>	<b>7</b>	<b>.38%</b>
<b>100 Emerald Greens LLC</b>	<b>\$3,915,100</b>	<b>8</b>	<b>.30%</b>
<b>Weir LLC</b>	<b>\$3,725,640</b>	<b>9</b>	<b>.29%</b>
<b>East Beach Partners LLC</b>	<b>\$3,675,820</b>	<b>10</b>	<b>.28%</b>

# Governmental Funds Revenue Sources

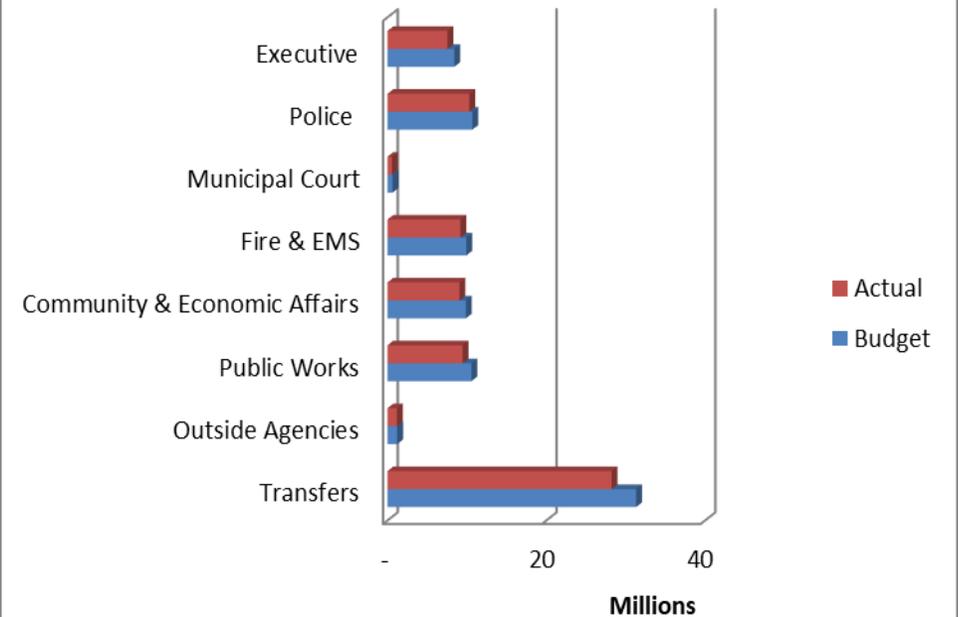
**Exhibit 1: Governmental Revenue Sources for Fiscal Year 2024**



Property, Sales, Lodging, and Business license taxes comprise 86% of all revenue collections. The largest collection is Lodging Tax. A 3% Lodging Tax increase was implemented in 2023. Revenues increased 4.5% in 2024 from 2023 primarily due to the Lodging Tax increase.

# Departmental Budget Performance

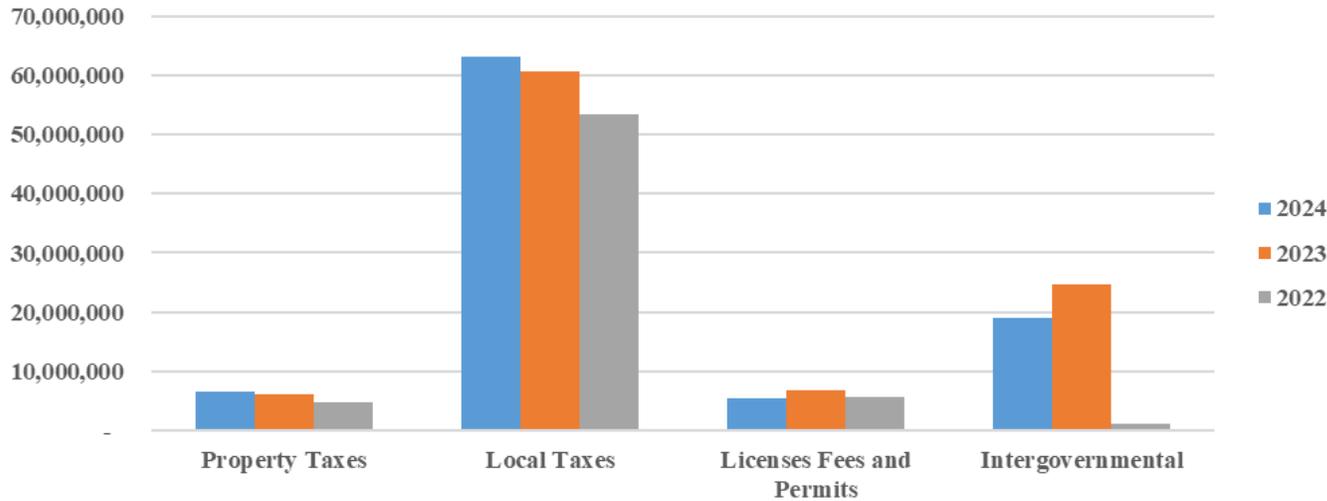
**Exhibit 2: General Fund Departmental Budget to Actual 2024**



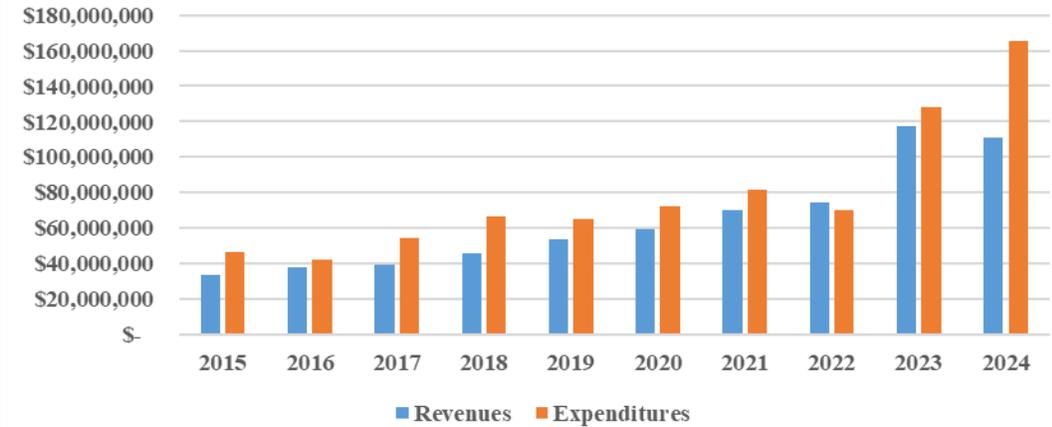
By careful management of resources the city's departments almost always operate within their budgets. Transfers represent amounts going to debt service payments.

# Revenues & Expenditures

Major Revenues 3 year trends



10 Year Historical Perspective of Revenues and Expenditures



Major Revenues 3 years	2024	2023	2022
Property Taxes	6,524,852	6,176,986	4,700,493
Local Taxes	63,177,111	60,571,020	53,428,165
Licenses Fees and Permits	5,499,794	6,783,558	5,742,094
Intergovernmental	18,940,488	24,691,471	1,168,580

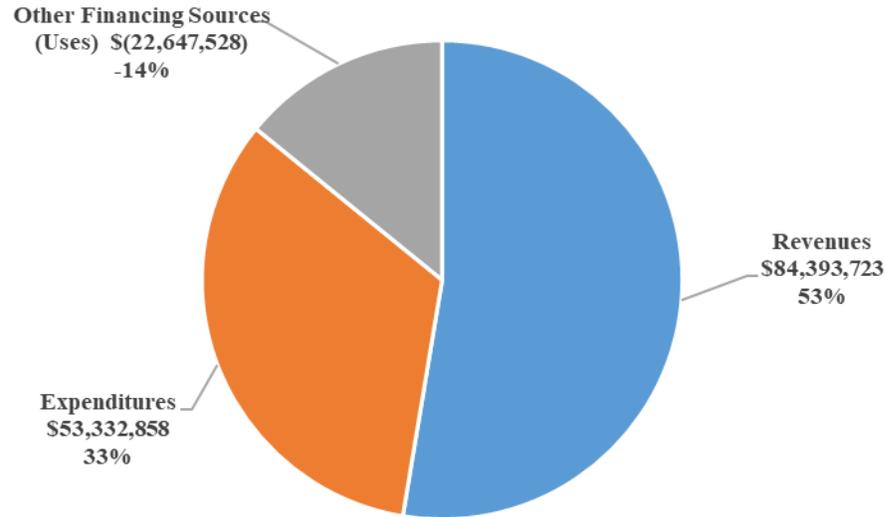
	Revenues	Expenditures
2015	\$ 33,744,697	\$ 46,213,129
2016	\$ 37,957,081	\$ 41,826,361
2017	\$ 38,941,761	\$ 54,108,644
2018	\$ 45,364,922	\$ 66,574,193
2019	\$ 53,855,862	\$ 65,288,208
2020	\$ 59,226,577	\$ 72,032,258
2021	\$ 70,312,871	\$ 81,307,714
2022	\$ 74,738,753	\$ 69,838,134
2023	\$ 117,086,065	\$ 128,011,507
2024	\$ 110,868,820	\$ 166,214,731

Expenditures 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 expenditure in the year that it is borrowed and the repayment will occur over a period of years.

The chart above shows 3 year trends for our major revenues and the chart on the right shows 10 years of revenues vs. expenditures. Local taxes increased in 2022 due to a 2% Lodging Tax Increase. The 2023 Local Tax increase was due to full implementation of a 3% Lodging Tax increase. Intergovernmental Revenues increased due to federal RESTORE grants for the building of an Ecotourism Center.

# Fund Balances

General Fund pie chart: revenue earned vs expenditures paid in 2024

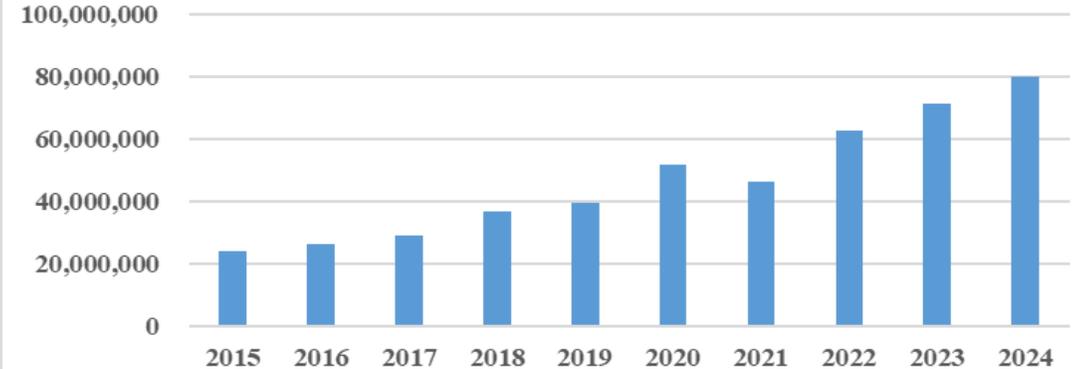


General Fund 2024

Revenues = \$84,393,723  
 Expenditures = \$53,332,858  
 Other Financing Sources (Uses) = (\$22,647,528)

The City's balance sheet reflects the City's financial condition as of December 31, 2024. The balance sheet is a summary of what the City owns (assets and deferred outflows) and owes (liabilities and deferred inflows).

General Fund Balance



Year	General Fund Balance	% Change
2015	24,005,631	7%
2016	26,455,361	10%
2017	29,169,601	10%
2018	36,624,646	26%
2019	39,653,592	8%
2020	51,693,606	30%
2021	46,450,165	-10%
2022	62,560,370	35%
2023	71,479,549	14%
2024	79,892,886	12%

The City has through conservative spending increased the General Fund balance from \$24 million in 2015 to \$79.9 million in 2024. More tourists have been drawn to the area due to an increase in sports tourism, thereby increasing Lodging & Sales tax revenues. The General Fund balance for 2024 is 94.7% of \$84.4 million revenues and 105% of \$75.98 million expenditures including debt service transfers.

In 2021 funds in excess of the 70% fund balance paid off short-term lines of credit used for Hurricane Sally expenses.

# Major Projects 2024



Oak Road enhancements



Waterway East improvements



EcoCenter completion



Beach Walking District



HWY 59 Widening

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

**Medical** - In 2024, the City provided funds for Life Scans for all City employees. Ten firefighters graduated paramedic school in 2024. A cardiac monitor and an automated beach rescue device were purchased in 2024.



**Education** – In 2024, construction of the new high school continued with \$150 million borrowed for construction of the new high school off Coastal Gateway Boulevard.



**Waterway East Improvements**– In 2024, the City constructed a new roadway extension extending the Waterway East Boulevard to the new Airport terminal. Map shown below.



**Gulf Beach District**– In 2024 a new hotel with conference room was under construction on Beach Boulevard. At right is a photo of some of the Beach Walking Districts improvements.



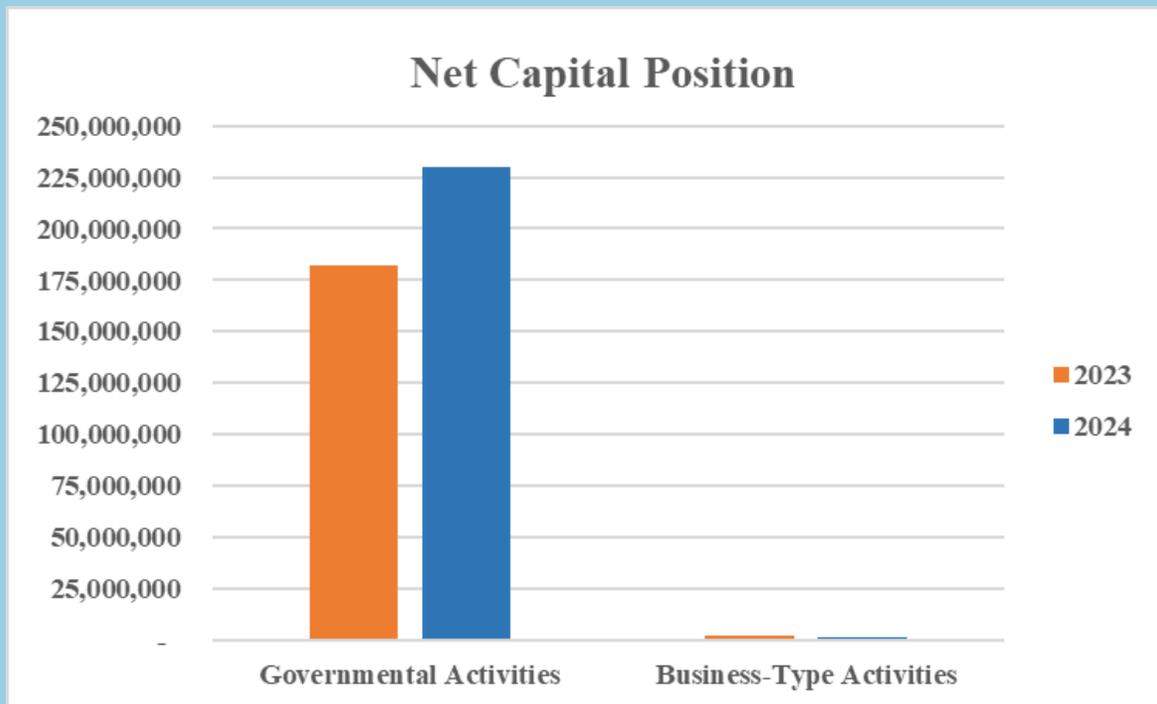
**Gulf State Park**– The State of Alabama completed construction of a 350 room Hilton-branded lodge, 180 seat restaurant and 40,000 square foot conference facility that opened fall 2018. Over 9 miles of new pedestrian- and bike-friendly trails have been completed within Gulf State Park. The City advocates the development of local environmental programs and initiatives to help support environmental improvement projects within Gulf State Park. At right is an aerial view of the EcoCenter constructed adjacent to the State Park.



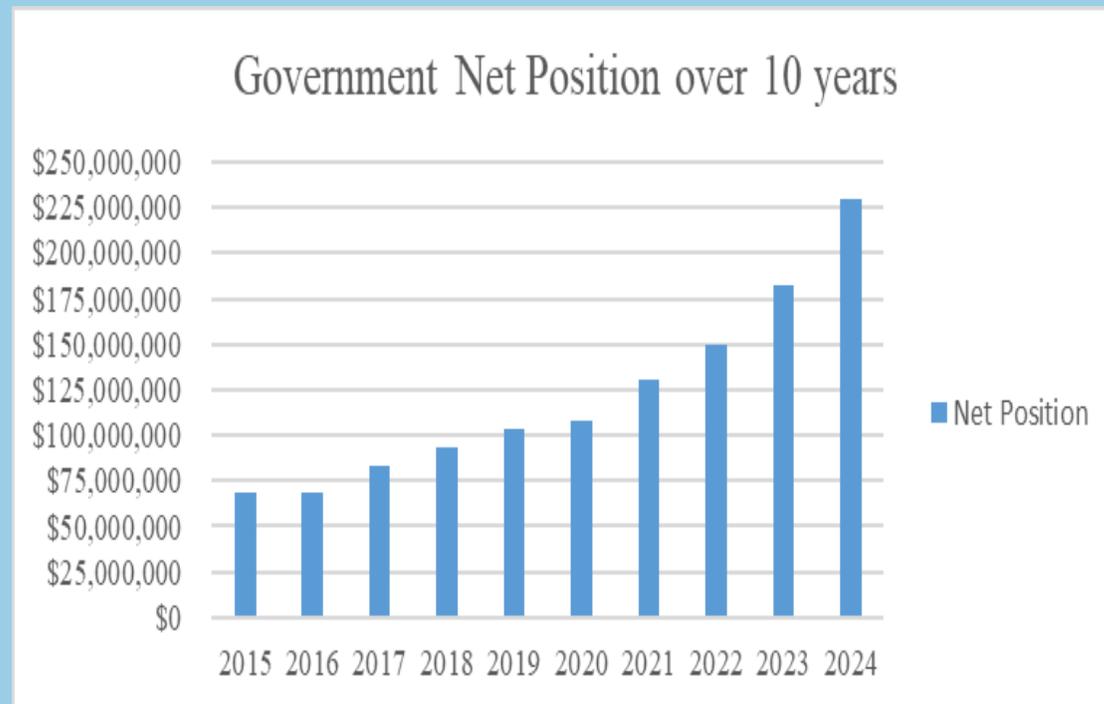
More information on the City's 5 year Strategic Plan is available starting on page 25 of the 2025 Budget and is available on the City website at

<https://www.gulfshoresal.gov/DocumentCenter/View/13677/2025-Approved-Financial-Budget>.

# Capital Assets



At December 31, 2024, the City of Gulf Shores reported net capital position of \$229,034,803 from governmental activities, an increase of \$46,669,966 from the adjusted governmental activities capital assets net for December 31, 2023. Net capital position from business-type activities is reported as \$1,711,564 which is a decrease of \$231,707 from December 31, 2023.



Over time, Net position serves as a useful indicator of a government's financial condition. Net position reflects assets minus liabilities for a given year. Net position represents a net investments in capital assets plus restricted and unrestricted funds. In the bar graph above, the Net position for the City of Gulf Shores is shown more than tripling over a 10 year period from \$68.1 million to \$229 million.

# 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 \$274,686,424 in debt outstanding which included long term compensated absences of \$2,617,896 compared to \$242,928,167 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
2015 G.O.	12/15/2028	Aa2	AA+/Stable
2017 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
2020-A G.O.	12/15/2025	Aa2	AA+/Stable
2020-B G.O.	12/15/2040	Aa2	AA+/Stable
2020-C G.O.	12/15/2040	Aa2	AA+/Stable
2022-A G.O.	3/15/2042	Aa2	AA+/Stable
2022-B G.O.	3/15/2042	Aa2	AA+/Stable