

CITY OF MOBILE, ALABAMA

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2010

Samuel L. Jones, Mayor
Barbara S. Malkove, Executive Director of Finance
Patricia A. Aldrich, Comptroller

**CITY OF MOBILE, ALABAMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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SAMUEL L. JONES
MAYOR

Part I Introductory Section



SAMUEL L. JONES
MAYOR

CITY OF MOBILE

OFFICE OF THE CITY COUNCIL
COUNCIL MEMBERS

REGGIE COPELAND, SR.
PRESIDENT-DISTRICT 5

FREDRICK D. RICHARDSON, JR.
VICE PRESIDENT-DISTRICT 1

WILLIAM C. CARROLL, JR.
DISTRICT 2

JERMAINE A. BURRELL
DISTRICT 3

JOHN C. WILLIAMS
DISTRICT 4

BESS RICH
DISTRICT 6

GINA GREGORY
DISTRICT 7

CITY CLERK
LISA C. LAMBERT

March 16, 2011

TO THE CITIZENS OF
THE CITY OF MOBILE, ALABAMA:

The Comprehensive Annual Financial Report (CAFR) of the City of Mobile, Alabama (the City) for the fiscal year ended September 30, 2010 is hereby presented to you. The CAFR is provided to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff and other readers.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Mobile management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City as a whole and the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Alabama state law requires an annual audit of the City's financial statements by independent certified public accountants who must conduct the audit in accordance with generally accepted auditing standards. The accounting firm of Banks, Finley, White & Co. CPAs, conducted the audit and their report on the City's basic financial statements is included herein. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments." The audit has been performed and the separately issued Single Audit Report is available for review at the Federal Audit Clearinghouse.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report. It provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

PROFILE OF THE CITY

Three hundred-year-old historic Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico. The city covers an area of 179 square miles and is part of the second largest metropolitan area in Alabama. The latest figures from the 2010 census indicate the population of Mobile to be 195,111 and the Mobile Metropolitan Statistical Area (MSA) to be 595,257.

The City of Mobile, Alabama (the City) was incorporated on January 20, 1814 under the provisions of Act 1911, No. 281, page 330; Code 1940. The City operates under a Mayor and seven member council form of government, with the council members elected by district. Responsibility for day-to-day operations of the City rests with the Mayor. Various council committees also work closely with the Mayor and department heads.

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets and infrastructure; and recreational activities and cultural events. The Mobile Public Library and the Public Parks and Recreation Board (Ladd - Peebles Stadium) have both met the established criteria to be included in the reporting entity as component units, and accordingly are included in the report. The Board of Water and Sewer Commissioners of the City of Mobile, Mobile Housing Board, Mobile Airport Authority, Mobile Board of Health, Mobile Emergency Management, and Mobile Personnel Board are related entities but have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report. Additional information on all of these entities can be found in the notes to the financial statements (See Note 1).

Policy making and legislative authority are vested in a seven member city council who are, among other things, responsible for passing local ordinances, adopting budgets, appointing committees and board members of related organizations, and approving the appointment of executive directors of the City. The Mayor is responsible for carrying out the policies and ordinances of the City Council, supervising the operation of the City and appointing executive directors. The Mayor and Council members are elected to four-year terms. All council members are elected from within their respective districts.

The annual budget serves as the foundation for the City's financial planning and control. The Mayor is required to submit a budget proposal to the City Council for most of the City's departments and funds by August 20 of each fiscal year. The Council, after public comment and evaluation, adopts the balanced budget by the beginning of the fiscal year each October.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The comparison between the project-length basis budget to actual expenditures for the year is not meaningful and, therefore, is not presented. The level of budgetary control is on the departmental level within an individual fund for legal and administrative control. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end in the general fund.

ECONOMIC CONDITION

The economic slowdown that began in 2008 has continued through to 2010. Lower consumer spending has decreased sales tax collections, the City's largest revenue source. The City's aggressive economic development efforts have had a significant effect on City revenues, as well as providing some relief from the conditions that have plagued all government units.

With the efforts made, Mobile County was named the No. 1 mid-sized metro area for projected economic growth from 2008-2012 by Moody's Economy.com. This area was also ranked seventh for population growth in Alabama. We have been blessed in the past three years with tremendous economic development. In spite of the recessionary climate, local unemployment did not increase but stayed level at 10% according to the Bureau of Labor Statistics.

At ThyssenKrupp Steel USA, LLC, the massive building project finished and operations of its cold-rolling mill began production as TK Stainless with an initial capacity of 100,000 metric tons per year. When fully operational this facility will employ approximately 2,700 individuals.

On the river, Austal Shipbuilding began the construction of its second and third littoral combat ships after the commissioning of its first, the *USS Independence*. This \$204 million contract for the Joint High Speed Vessels (JHSV) will require an additional 500 employees.

The local economic outlook for upcoming years is positive, but serious near-term financial challenges exist because of the recession and its affect on city resources. There is always growth in the demand for public services, and given this reality, operating requirements will continue to exert pressure on budgetary resources. City leaders must continue to be conservative when planning and must exercise strong prioritization of spending in 2011.

LONG-TERM FINANCIAL PLANNING

A significant factor in assessing the economic health of the City of Mobile, and the City's finances is the credit rating assigned by credit ratings agencies because of their in-depth review of economic conditions and City financial performance. Moody's Investor Service upgraded the City's bond rating to Aa2 and Standard and Poor's maintained their A1 rating. The upgrade reflected the City's financial position, a growing economic base and positive economic development trends. These ratings were achieved during a period in which the City is managing economic struggles while maintaining an aggressive economic development plan. The manner in which City leaders respond to our current challenges will be a critical factor in maintaining these ratings.

In April, 2010 the City Council approved a temporary one cent sales tax increase beginning June 1, 2010 which will sunset at September 30, 2011. Revenues from that source did increase by nearly ten million dollars at September 30, 2010. Any surplus revenue from the temporary tax is being placed in reserve for future years operating needs. While the revenue has increased the City still monitors all expenditures to keep costs to a minimum.

MAJOR INITIATIVES

In December 2009, the City borrowed \$23 million for the construction of GulfQuest Maritime Museum on the waterfront at Mobile Landing; the purchase of land for public parking to serve that museum and the City's cruise ship terminal; and the construction of a fire station and police mini-precinct in the western annexed area. The City also refinanced \$56 million in debt from a 2002 bond issue. Recovery Zone Economic Development Bonds, created by the American Recovery and Reinvestment Act (ARRA) were used to finance government projects with economic outcomes. In addition to the Recovery Zone Bonds, we participated in Building America Bonds.

RELEVANT FINANCIAL POLICIES

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of Federal and State awards, the City also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by the City.

As a part of the City's single audit, tests are made to determine the adequacy of internal control, including that portion related to Federal awards. Tests are also made to determine that the City's single audit for the fiscal year ended September 30, 2010 provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

Cash Management. Cash temporarily idle during the fiscal year was invested in government securities and bank certificates of deposit.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by Federal Depository Insurance or collateralized. The deposits that were not insured by Federal Depository Insurance were covered under the Security for Alabama Funds Enhancement (SAFE) program. Each of the banks holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

Risk Management. The City is self-insured for claims and judgments, general liability and general automobile liability. These liabilities were estimated to be approximately \$420,000 at September 30, 2010 and were accounted for in the Insurance Internal Service Fund. Claim settlement and loss expenses are accrued in this fund for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is also self-insured for workers' compensation claims up to \$500,000 per accident and employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside third parties for claim administration. These liabilities were estimated to be approximately \$7 million at September 30, 2010 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2 million is reported in the Employee Health Plan

Fund (Internal Service Fund).

AWARDS AND ACKNOWLEDGEMENTS

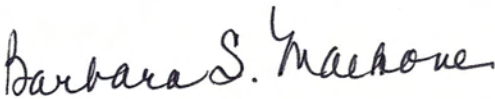
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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 for another certificate.

The preparation of the comprehensive annual finance report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and especially the efforts of Patricia Aldrich, Comptroller. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. My sincere appreciation is also extended to our independent auditors, Banks, Finley, White & Co., CPAs, for their cooperation and technical guidance.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



Barbara S. Malkove
Executive Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mobile
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Mobile Organization Chart

CITY OF MOBILE CITIZENS



CITY COUNCIL

CITY CLERK
Lisa C. Lambert

Assistant City Clerk
Mary Ann Merchant

Archives

MAYOR
Samuel L. Jones

CHIEF OF STAFF
Al Stokes

Boards & Commissions Appointed by Mayor

- Airport Authority
- Housing Board
- Industrial Development Planning Commission

Boards & Commissions Appointed by Council

- Keep Mobile Beautiful
- Mobile Board of Health
- Mobile Board of Public Works
- Mobile Museum of Art Board
- Mobile Museum Board, Inc.
- Old Dauphin Way Review Board
- Solid Waste Authority
- South Alabama Regional Planning Commission
- Tire Commission
- Water & Sewer Commissioners
- Youth Council

City Attorney & Legal Staff
Larry Weltermark
Governmental & Legislative Affairs

Executive Assistant
Donna Mitchell
Mayor's Office Staff

Weed and Seed

CitiSmart Coordinator
William Harkins

Public Safety and Enforcement Reports to Chief of Staff

Externally Focused: Delivery of prevention, emergency and enforcement services to provide a safe living and working environment to the citizens of Mobile.

Police Department

- Administrative Services
- Field Operations
- Investigative Services
- Community Services
- Support Services

Liaison to Law Enforcement Agencies

Fire-Rescue Department

- Administration
- Bureau of Fire Prevention
- Training
- Fire Suppression
- Emergency Medical Services
- Communications

Municipal Court

- Criminal
- Domestic
- Traffic
- Environmental

Animal Shelter

Urban Development

- Code Administration
- Permitting & Development
- Planning
- Urban Forestry

Human Resources
Employee Benefits
Safety Management

Grants Administrator
Don McKnight

Public Services Division
Executive Director
John Bell

Externally Focused: Delivery of planning, design and operation of infrastructure, recreation and park services to the citizens of Mobile.

Liaison to:

- Environmental Agencies for Regulatory Affairs
- ERT Operations
- Coast, Sea & Federal Environmental
- Safety Management/Civil Defense
- WAVE Transit

Engineering

Environmental Services

Real Estate/Asset Management

Real Estate

Public Buildings

Mechanical Systems

Architectural Engr.

Traffic Engineering

Electrical

Equipment Services

- Garage
- Motor Pool

Public Works

- Road Maintenance
- Storm/Drainage Maint.
- Solid Waste Collection
- Solid Waste Landfill

Azalea City Golf Course

Parks & Recreation

- Parks
- Mowing
- Parks Maintenance
- Landscaping Services
- Operations & Cemeteries

Recreation

- Community Centers
- Athletics
- Special Activities
- Community Activities

Tennis Facilities

- Copeland - Cox Tennis Center
- Lynns Park Tennis Center
- Medal of Honor Park Tennis Center

Administrative Services and Community Affairs Division
Executive Director
Barbara Drummond

Internally Focused: Delivery of community based support services and administrative support services to the departments, activities and employees of the City of Mobile's municipal government.

Liaison to:

- Arts Council
- Downtown Mobile District Management Corp.

Public Affairs

Mobile Information Technology (IT)

- Mobile 311
- IS Project Management
- Network & Technical Services
- Telecommunications

Geographic Information Systems (GIS)

Keep Mobile Beautiful

Neighborhood and Community Services

Financial Services Division
Executive Director
Barbara Malkove

Internally Focused: Delivery of financial support and control activities to the departments, activities and employees of the City of Mobile's municipal government.

Police-Fire Pension

Accounting

- Payroll

Revenue

Treasury

Budget

Purchasing

Inventory Control

Cultural & Civic Development
Director
Robert O. Bostwick, Jr.

Liaison to:

- Convention Centers (S&G & Armark, Inc.)
- Mobile Bay Convention & Visitors Bureau
- Sports Commission

Historic Development

Mobile Museum of Art

Museum of Mobile

Mobile Film Office

Public Library System

AUTHORIZATION

Adopted May 22, 2006
Revised Oct 30, 2009

Samuel L. Jones - Mayor of Mobile
10/30/2009 3:57 PM

CITY OF MOBILE, ALABAMA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2010

TITLE	NAME
Mayor	Samuel L. Jones
City Council	
District 1	Fredrick D. Richardson, Jr.
District 2	William Carroll
District 3	Jermaine A. Burrell
District 4	John C. Williams
District 5	Reggie Copeland, Sr.
District 6	Vacant Pending Election
District 7	Gina Gregory
Executive Director of Finance	Barbara S. Malkove
City Clerk	Lisa C. Lambert



SAMUEL L. JONES
MAYOR

Part II

Financial

Section

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council of the
City of Mobile, Alabama
Mobile, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama ("the City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of WAVE Transit (a major fund), the Public Park and Recreation Board and the Mobile Public Library, which represents 3.6%, 6.4% and 6.5%, respectively, of the assets, net assets, and revenues of the City. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit, the Public Park and Recreation Board, and the Mobile Public Library is based on the reports of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



To the Honorable Mayor and
Members of the City Council of the
City of Mobile, Alabama

Page 2

In accordance with Government Auditing Standards, we have also issued our report dated March 16, 2011, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 79 through 83 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.

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 and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, budgetary comparison information, and other financial schedules, as listed in the accompanying table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are 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 it.

March 16, 2011

Bank, Fenley White & Co.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Mobile's Comprehensive Annual Financial Report (CAFR) presents City management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2010. Please read this in conjunction with the City's financial statements, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the CAFR.

FINANCIAL HIGHLIGHTS

- ◆ The assets of the City of Mobile exceeded its liabilities at the close of the fiscal year by \$397.6 million (net assets). Of this amount the City had a deficit in unrestricted net assets of \$76.1 million offset by \$15.5 million in restricted net assets and \$458.2 million in capital assets net of related debt.
- ◆ The City's total net assets decreased \$17.5 million, or 4.22%, as a result of this year's operations. While net assets of our governmental activities decreased \$25.0 million, or 8.03%, the net assets of our business-type activities increased \$7.51 million, or 7.25%.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$97.0 million. This was an increase of \$18.4 million or 23.4% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General fund was \$13.9 million, an increase of 209.4% from the prior year.
- ◆ The City had two bond issues during the year. On December 9, 2009 the City issued 2009A G. O. Refunding Warrants in the amount of \$56,380,000. The Series 2009A Warrants were issued for the purpose of refunding the City's General Obligation Refunding Warrants, Series 2002. On the same date the City issued 2009B (Taxable) G. O. Build America Warrants and 2009C (Taxable) G. O. Recovery Zone Economic Development Warrants in the amounts of \$16,765,000 and \$6,430,000 respectively. These warrants are for the construction of GulfQuest Maritime Museum, a parking facility and a fire station. On February 17, 2010 the City issued G. O. Taxable Build America Warrants, Series 2010 in the amount of \$2,000,000 for the purchase of fire pumper trucks.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$10.0 million or 7.1% from the prior year primarily due to a one cent sales tax increase that was implemented June 1, 2010. This increase is scheduled to sunset on September 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of four parts: management's discussion and analysis (this section), the basic financial statements, and the narrative notes to the financial statements and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the City's finances.

- ◆ The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- ◆ The remaining statements are fund financial statements that focus on individual elements of the City government, reporting the City's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses such as the cruise terminal.

The financial statements also include narrative notes that explain some of the information in the financial statements and provide more detailed data.

To assess the overall economic health of the City, additional non-financial factors, such as changes in the City's tax base, planning and zoning actions, and the condition of the City's roads and other infrastructure should be considered.

USING THIS ANNUAL REPORT

The Statement of Net Assets and the Statement of Activities, (pages 15 - 17) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 18. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government wide statements by providing information about the City's most significant funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 35.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget starting on page 79.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's tax bases and the condition of the City's drainage systems and roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation departments and general administration. Sales, business license, property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services provided. Convention center, civic center, the golf and tennis centers and parking facilities are reported here.
- Component units - The City includes two separate legal entities in its report – Mobile Public Library and The Public Park and Recreation Board (Ladd-Peebles Stadium).

Although legally separate, these "component units" are important because the City is financially accountable for them. More comprehensive information about the City's component units can be found in Note 1.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council established many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Federal Transportation Authority and the Department of Justice). Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a separate reconciliation following each fund financial statement.
- Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's Motor Pool. Because internal service funds primarily serve governmental functions, they are included within the governmental activities of the government-wide financial statements.

THE CITY AS A WHOLE - CONDENSED FINANCIAL INFORMATION

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The City's net assets at fiscal year-end are \$397.6 million. This is a \$17.5 million decrease over last year's net assets of \$415.1 million. The following table provides a summary of the City's net assets:

	City of Mobile, Alabama							
	Summary of Net Assets							
	(dollars are in thousands)							
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	%
	2010	2009	2010	2009	2010	2009		Change
Current and other assets	\$ 114,370	\$ 97,032	\$ 12,844	\$ 5,613	\$ 127,214	\$ 102,645	\$ 24,569	23.94 %
Capital assets	<u>607,845</u>	<u>602,927</u>	<u>106,566</u>	<u>105,823</u>	<u>714,411</u>	<u>708,750</u>	<u>5,661</u>	0.80 %
Total assets	<u>\$ 722,215</u>	<u>\$ 699,959</u>	<u>\$ 119,410</u>	<u>\$ 111,436</u>	<u>\$ 841,625</u>	<u>\$ 811,395</u>	<u>\$ 30,230</u>	3.73 %
Long-term liabilities	\$ 397,993	\$ 345,932	\$ 855	\$ 1,000	\$ 398,848	\$ 346,932	\$ 51,916	14.96 %
Other liabilities	<u>37,699</u>	<u>42,495</u>	<u>7,468</u>	<u>6,858</u>	<u>45,167</u>	<u>49,353</u>	<u>(4,186)</u>	(8.48)%
Total liabilities	<u>435,692</u>	<u>388,427</u>	<u>8,323</u>	<u>7,858</u>	<u>444,015</u>	<u>396,285</u>	<u>47,730</u>	12.04 %
Net assets:								
Invested in capital assets, net of related debt	352,296	360,785	105,870	104,970	458,166	465,755	(7,589)	(1.63)%
Restricted	15,517	13,331	-	-	15,517	13,331	2,186	16.40 %
Unrestricted	<u>(81,290)</u>	<u>(62,584)</u>	<u>5,217</u>	<u>(1,392)</u>	<u>(76,073)</u>	<u>(63,976)</u>	<u>(12,097)</u>	18.91 %
Total net assets	<u>286,523</u>	<u>311,532</u>	<u>111,087</u>	<u>103,578</u>	<u>397,610</u>	<u>415,110</u>	<u>(17,500)</u>	(4.22)%
Total liabilities and net assets	<u>\$ 722,215</u>	<u>\$ 699,959</u>	<u>\$ 119,410</u>	<u>\$ 111,436</u>	<u>\$ 841,625</u>	<u>\$ 811,395</u>	<u>\$ 30,230</u>	3.73 %

The largest portion of the City's net assets (115.2%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.) less any related debt used to acquire those assets that are still outstanding, excluding any unspent proceeds of the debt issued. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (3.9%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets may be used to meet the City's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in invested in capital assets, net of related debt and restricted net assets but unrestricted net assets has a deficit balance of \$76.1 million for governmental activities. This deficit arose mainly because of three factors. First, the City has elected to fund its other post-employment benefits (OPEB) obligation on a pay as you go basis. The OPEB expense for the City of Mobile is substantial and increased by \$28.0 million during the current fiscal year. Second, due to a sluggish economy, tax revenues have fallen short of amounts originally anticipated. Finally, due to this revenue shortfall, the City has had to use its fund balances to finance daily operations.

Also, the unrestricted net assets for business-type activities show a balance of \$5.2 million which is a \$6.6 million increase over the prior year. This increase is due in part to an increase in net assets at the Convention Center of \$3.7 million and an increase in net assets at WAVE Transit of \$4.1 million. WAVE Transit's increase is due primarily to an increase in operating grants and the Convention Center's increase is due primarily to an increase over the prior year in concession revenue of \$2.2 million (due to the use of the facility by the BP oil spill personnel) and a decrease in operating expenses from the prior year of approximately \$2.0 million.

Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net assets:

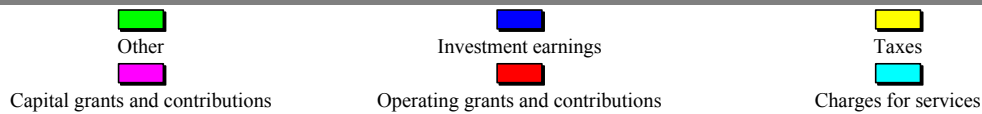
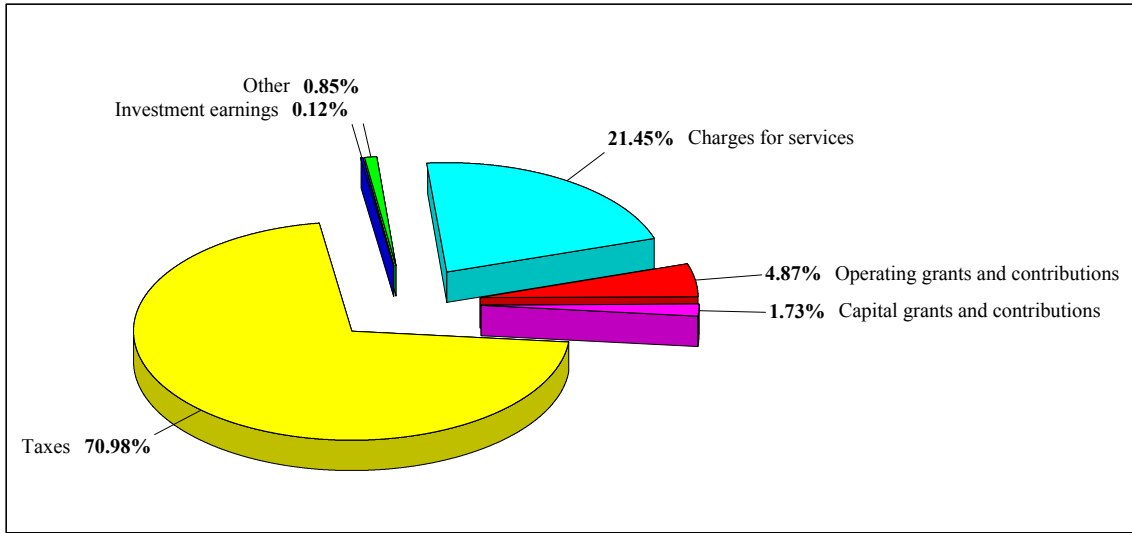
City of Mobile, Alabama
Summary of Changes in Net Assets
(dollars are in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2010	2009	2010	2009	2010	2009		
Program Revenues:								
Charges for services	\$ 55,930	\$ 55,461	\$ 14,925	\$ 11,842	\$ 70,855	\$ 67,303	\$ 3,552	5.28 %
Operating grants and contributions	12,691	1,939	7,789	3,330	20,480	5,269	15,211	288.69 %
Capital grants and contributions	4,520	4,647	-	-	4,520	4,647	(127)	(2.73)%
General revenues:								
Taxes	185,069	175,545	10,377	9,543	195,446	185,088	10,358	5.60 %
Investment earnings	301	1,010	3	16	304	1,026	(722)	(70.37)%
Other	2,239	6,298	(10)	156	2,229	6,454	(4,225)	(65.46)%
Total revenues	<u>260,750</u>	<u>244,900</u>	<u>33,084</u>	<u>24,887</u>	<u>293,834</u>	<u>269,787</u>	<u>24,047</u>	8.91 %
Program Expenses:								
General government	84,138	98,695	-	-	84,138	98,695	(14,557)	(14.75)%
Economic development	2,803	1,430	-	-	2,803	1,430	1,373	96.01 %
Public safety	110,010	113,063	-	-	110,010	113,063	(3,053)	(2.70)%
Public works	44,868	45,892	-	-	44,868	45,892	(1,024)	(2.23)%
Culture and recreation	19,666	20,374	-	-	19,666	20,374	(708)	(3.48)%
Finance	5,792	6,823	-	-	5,792	6,823	(1,031)	(15.11)%
Interest on long-term debt	14,119	15,717	-	-	14,119	15,717	(1,598)	(10.17)%
Alabama Cruise Terminal	-	-	527	415	527	415	112	26.99 %
Civic Center	-	-	4,506	3,686	4,506	3,686	820	22.25 %
Convention Center	-	-	8,977	10,981	8,977	10,981	(2,004)	(18.25)%
Golf Course	-	-	1,453	1,518	1,453	1,518	(65)	(4.28)%
Firemedics	-	-	5,431	5,478	5,431	5,478	(47)	(0.86)%
Parking garage	-	-	276	270	276	270	6	2.22 %
Tennis Center	-	-	560	510	560	510	50	9.80 %
Affordable homes program	-	-	5	8	5	8	(3)	(37.50)%
WAVE Transit	-	-	10,620	10,812	10,620	10,812	(192)	(1.78)%
Total expenses	<u>281,396</u>	<u>301,994</u>	<u>32,355</u>	<u>33,678</u>	<u>313,751</u>	<u>335,672</u>	<u>(21,921)</u>	(6.53)%
Change in net assets before capital contributions and transfers	(20,646)	(57,094)	729	(8,791)	(19,917)	(65,885)	45,968	(69.77)%
Capital contributions	2,417	105,131	-	-	2,417	105,131	(102,714)	(97.70)%
Transfers	(6,781)	(5,028)	6,781	5,028	-	-	-	%
Change in net assets	(25,010)	43,009	7,510	(3,763)	(17,500)	39,246	(56,746)	(144.59)%
Net assets, beginning	311,532	268,523	103,578	107,341	415,110	375,864	39,246	10.44 %
Net assets, ending	<u>\$ 286,522</u>	<u>\$ 311,532</u>	<u>\$ 111,088</u>	<u>\$ 103,578</u>	<u>\$ 397,610</u>	<u>\$ 415,110</u>	<u>\$ (17,500)</u>	(4.22)%

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2010.

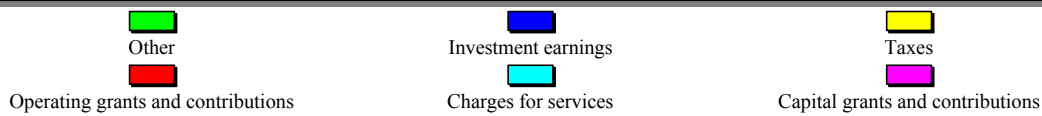
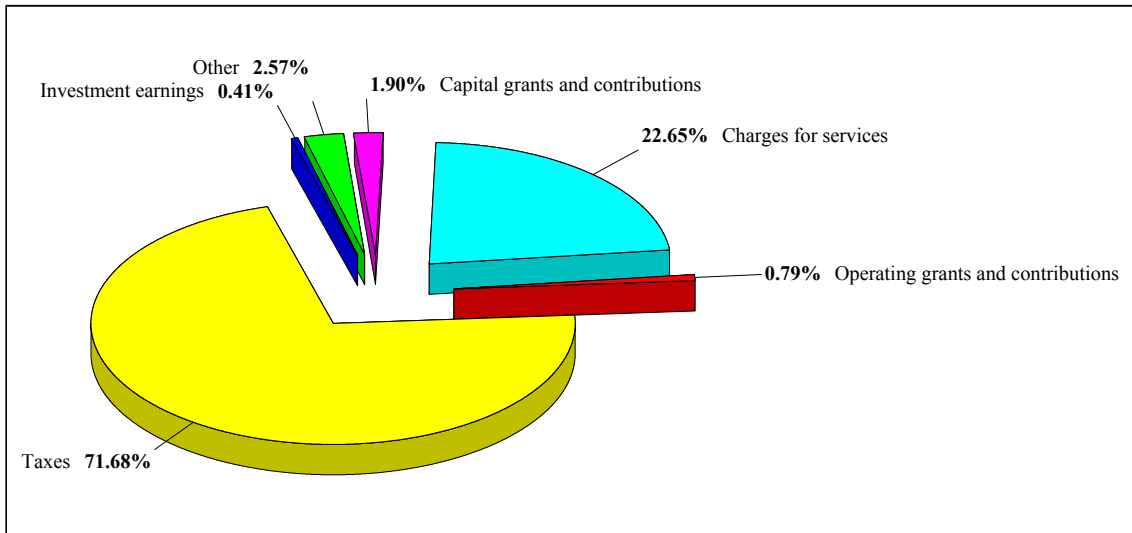
GOVERNMENTAL REVENUES

2010



GOVERNMENTAL REVENUES

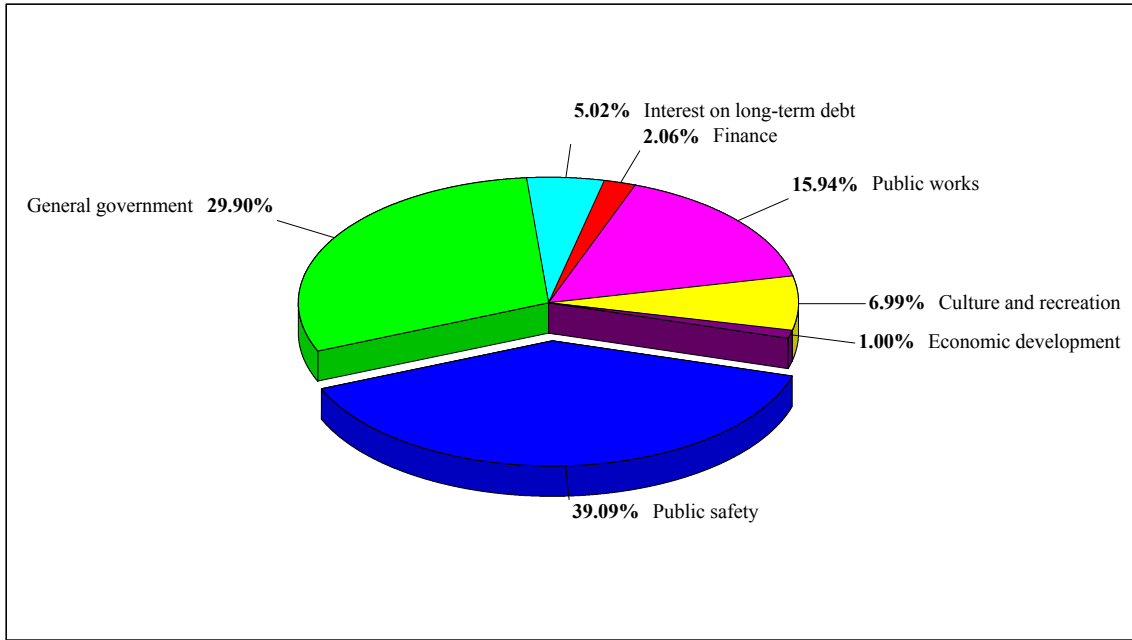
2009



As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 70.98% and 71.68% of the City's total governmental revenues in fiscal years 2010 and 2009, respectively.

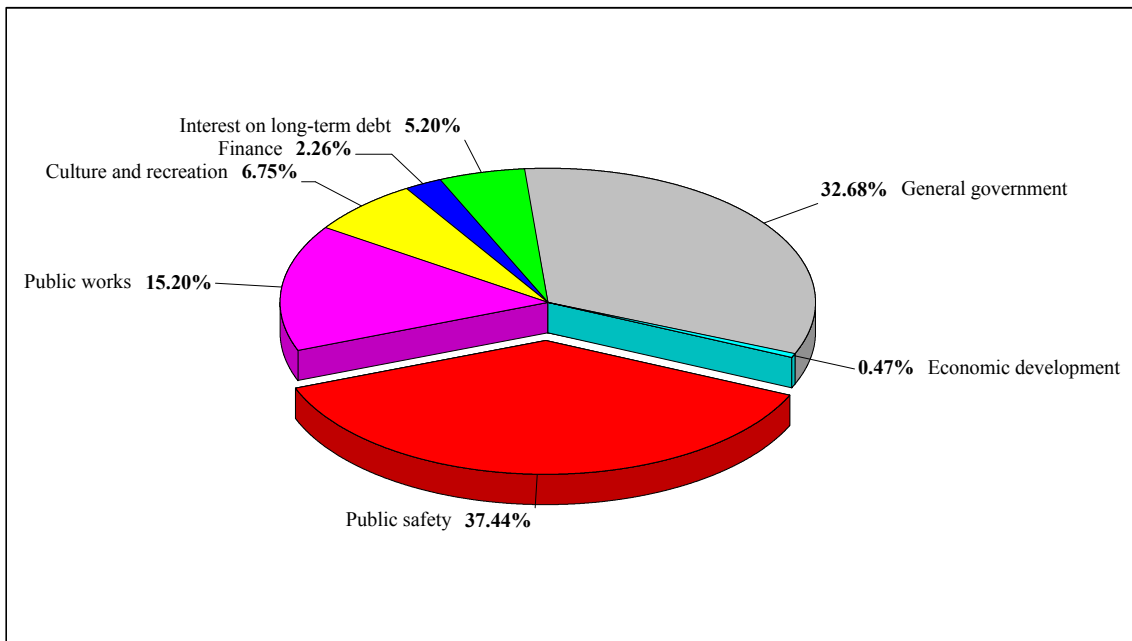
GOVERNMENTAL FUNCTIONAL EXPENSES

2010



GOVERNMENTAL FUNCTIONAL EXPENSES

2009



See the following page for discussion of these graphs.

Governmental activities

Governmental activities decreased the City's net assets by \$25 million. The key elements of this decrease are as follows:

- Excess expenses over revenue for governmental activities amounted to \$208.3 million dollars.
- Investment earnings amounted to \$301,434 which was a decrease of \$708,228 from the prior year.
- Tax revenues amounted to \$185.1 million which was an increase of 5.4% over the prior year and was due primarily due to the one percent sales tax increase effective June 1, 2010.
- Other revenue amounted to \$2.2 million.
- Transfers out of governmental activities totaled \$6.8 million.

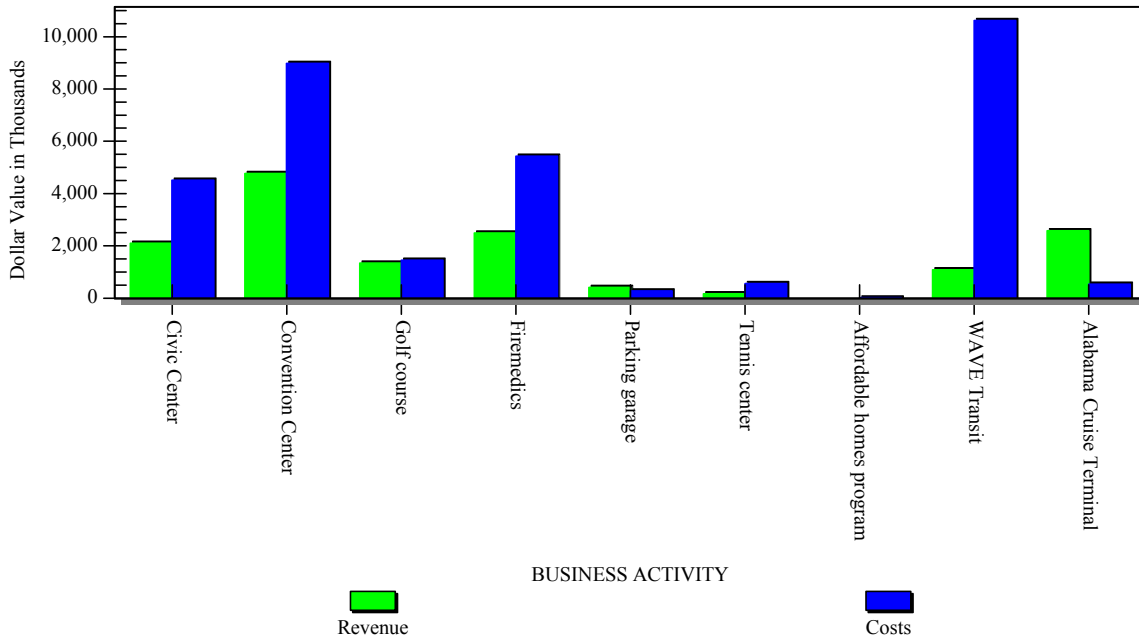
Governmental activity expenses decreased from the prior year. Of the \$281.4 million of governmental activity expenses, public safety was the largest operating cost, at 39.1% of total costs in 2010. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

Business-type activities

Business-type activities increased the City's total net assets by \$7.5 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage and cruise terminal business-type activities are self-supporting with user charges and other revenues designed to recover costs. The civic center, the convention center, firemedics, WAVE Transit, tennis center, golf course and Affordable Homes Program provided services with user charges that did not recover costs in the current year. The convention center receives a portion of the room and food tax by ordinance to help cover their expenses. The civic center, firemedics, WAVE Transit, tennis center, golf course and Affordable Homes Program activities required subsidization by the City. The below graphs illustrate results of operations.

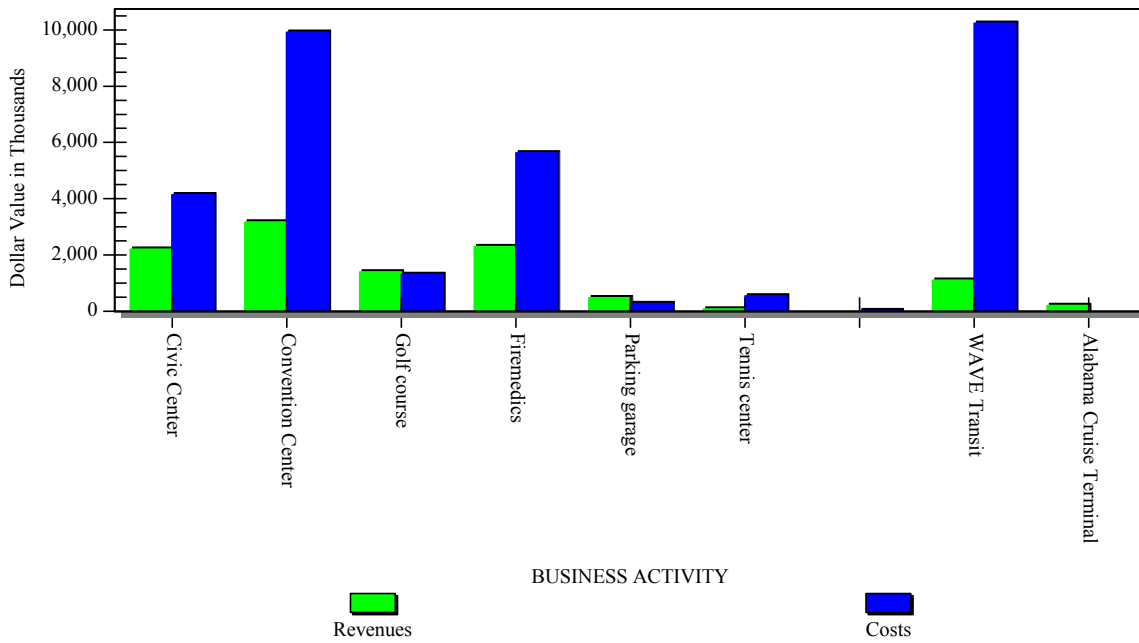
BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2010



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2009



THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in comparing the City's resources at the end of the year with upcoming financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental funds reported ending fund balance of \$97.0 million, of which \$76.8 million is unreserved, indicating availability for continuing the City's service requirements. The reserved fund balances include \$9.0 million committed to encumbrances outstanding at year end, \$1.3 million committed for long-term notes receivable, \$2.5 million committed to grant administration, \$0.8 million committed to law enforcement, \$4.4 million committed to economic development, and \$2.1 million committed to road and bridge repair and construction.

The total ending fund balances of governmental funds show a \$18.4 million increase from the prior year. This increase is primarily due to an increase in revenues of \$16.1 million, a reduction in expenses from the prior year totaling \$20.7 million and an increase in other financing of \$26.2 million. Operating budgets were cut during the year and a one percent sales tax increase went into effect on June 1, 2010.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance in the General Fund increased by approximately \$9.4 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$20.8 million which includes a net decrease of \$3.9 million.

The 2006 G.O. Refunding and Capital Projects fund has a fund balance of \$1.7 million. This fund accounts for expenditures related to projects financed by the proceeds of the 2006 G.O. Refunding and Capital Warrants. The fund balance in this fund decreased by \$3.1 million as a result of increased capital outlays.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Enterprise Funds

The City's enterprise funds consist of the Alabama Cruise Terminal, the Mobile Civic Center, the Municipal Parking Garage, the Azalea City Golf Course, Firemedics, Mobile Convention Center, the Tennis Center, Affordable Homes Program and WAVE Transit. The total net assets of the Enterprise Funds increased by \$7.5 million during the current fiscal year. This overall increase is attributable to increased grants and contributions in the current year.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's three internal service funds include the Motor Pool Fund, Insurance Fund and Employee Health Fund. The net assets of the funds decreased by \$2.6 million from the prior year, primarily due to increases in health benefits paid.

GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenues over expenditures on a budgetary basis during the year was \$14.7 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$10.4 million due to an increase in sales tax revenue.
- Departmental expenditures were over budget by \$4.8 million.

The amended budget for fiscal year 2010 was approximately \$198 million. This was a decrease of \$4.6 million from the prior year amended budget.

Total revenues were approximately \$25.5 million over budget while expenditures were \$22.6 million over budget. This was due primarily to grants received and expensed which are not included in the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2010, the City's investment in capital assets, net of related debt for governmental and business-type activities was \$352.3 million and \$105.8 million, respectively. The overall decrease was \$7.6 million from 2009 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and construction commitments outstanding at the end of the year.

	Capital Assets						Total % Change
	Net of Accumulated Depreciation				Total		
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Non-depreciable capital assets:							
Land	\$ 25,516	\$ 24,547	\$ 10,464	\$ 10,381	\$ 35,980	\$ 34,928	3.01 %
Infrastructure-in-progress	46,554	54,519	-	-	46,554	54,519	(14.61)%
Construction-in-progress	38,656	30,866	600	1,054	39,256	31,920	22.98 %
Intangible assets	474	-	-	-	474	-	-
Depreciable capital assets, net							
Buildings	34,879	35,904	80,431	82,837	115,310	118,741	(2.89)%
Improvements	67,608	67,208	6,049	6,239	73,657	73,447	0.29 %
Vehicular equip	14,745	17,400	7,066	3,007	21,811	20,407	6.88 %
Other equip	11,582	12,867	1,957	2,304	13,539	15,171	(10.76)%
Infrastructure	<u>367,830</u>	<u>359,617</u>	<u>-</u>	<u>-</u>	<u>367,830</u>	<u>359,617</u>	2.28 %
Total capital assets, net	<u>\$ 607,844</u>	<u>\$ 602,928</u>	<u>\$ 106,567</u>	<u>\$ 105,822</u>	<u>\$ 714,411</u>	<u>\$ 708,750</u>	0.80 %

Long-Term Debt

As of September 30, 2010, the City had \$310.5 million of long-term debt outstanding, including bonds and warrants payable, notes payable, and obligations under capital leases. In the current fiscal year, the City retired principal on long-term debt in the amount of \$5.6 million and made payments of \$1.7 million for capital lease obligations. Interest payments on long-term debt totaled \$13.5 million. The following table summarizes the City's long-term debt:

	Outstanding Long-term Debt						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>%</u>
Bonds and warrants	\$ 304,808	\$ 284,241	\$ -	\$ -	\$ 304,808	\$ 284,241	7.24 %
Notes payable	1,360	1,580	-	-	1,360	1,580	(13.92)%
Obligations under capital leases	3,641	2,462	696	853	4,337	3,315	30.83 %
Total long-term debt	<u>\$ 309,809</u>	<u>\$ 288,283</u>	<u>\$ 696</u>	<u>\$ 853</u>	<u>\$ 310,505</u>	<u>\$ 289,136</u>	7.39 %

Most of the City's general obligation bond issues are insured and as a result, carry the highest ratings from Standard & Poor's Corporation (AAA) and Moody's Investor Services (Aaa). The uninsured ratings for the City are AA- from Standard and Poors and Aa2 from Moodys. Subsequent to year end, both S & P and Moody's increased the City's underlying rating. Under current State of Alabama statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 2010, the City's permissible debt limit exceeded actual debt by approximately \$212.7 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On March 10, 2011, Carnival Cruise Lines announced it will discontinue cruise operations from the Alabama Cruise Terminal in October of 2011. The City of Mobile is currently exploring options for continued use of this facility which includes a task force that will come up with a marketing plan to keep the City in the cruise business. The cruise terminal reportedly handled approximately 180,000 passengers a year and has operated in from Mobile since 2004.

The City continues to face sluggish revenues. The temporary sales tax will sunset on September 30, 2011. We expect to keep expenses at current levels or below. We should have enough of a budget surplus that will carry us through September 30, 2012. The City continues to explore creative ways to remain viable while maintaining its current level of service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the Executive Director of Finance's office at 205 Government Street, Suite 530, Mobile, Alabama.

Barbara S. Malkove

Barbara S. Malkove, CPA, CGFO
Executive Director of Finance

**BASIC
FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash, equity in pooled cash and investments	\$ 80,092,265	\$ 9,965,263	\$ 90,057,528	\$ 3,895,811
Restricted cash - capital purchases	2,597,307	-	2,597,307	-
Receivables - net	23,523,886	5,543,328	29,067,214	567,640
Inventories	2,087,901	293,446	2,381,347	-
Internal balances	3,136,675	(3,136,675)	-	-
Other assets	2,932,417	179,465	3,111,882	-
Nondepreciable capital assets	111,200,578	11,063,853	122,264,431	-
Depreciable capital assets, net	496,644,008	95,502,271	592,146,279	838,155
Total assets	<u>\$ 722,215,037</u>	<u>\$ 119,410,951</u>	<u>\$ 841,625,988</u>	<u>\$ 5,301,606</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 16,781,952	\$ 2,489,432	\$ 19,271,384	\$ 302,685
Unearned revenue	660,167	4,726,264	5,386,431	-
Pension contribution	6,697,821	-	6,697,821	-
Noncurrent liabilities:				
Due in less than 1 year:				
Bonds and warrants payable	5,832,239	-	5,832,239	-
Notes payable	235,000	-	235,000	93,329
Capital lease obligations	1,119,964	163,394	1,283,358	-
Compensated absences	1,099,046	88,799	1,187,845	45,725
Insurance claims	5,233,747	-	5,233,747	-
Landfill postclosure liability	39,416	-	39,416	-
Due in more than 1 year:				
Bonds and warrants payable	298,976,040	-	298,976,040	-
Notes payable	1,125,000	-	1,125,000	144,700
Capital lease obligations	2,521,091	532,313	3,053,404	-
Compensated absences	13,505,495	323,116	13,828,611	338,827
Self-insured liability - legal	420,000	-	420,000	-
Insurance claims	3,801,914	-	3,801,914	-
Landfill postclosure liability	893,701	-	893,701	-
Postemployment benefits	76,750,000	-	76,750,000	-
Total liabilities	<u>435,692,593</u>	<u>8,323,318</u>	<u>444,015,911</u>	<u>925,266</u>
NET ASSETS				
Invested in capital assets, net of related debt	352,295,866	105,870,417	458,166,283	600,126
Restricted for:				
Capital projects	5,170,015	-	5,170,015	-
Debt Service	3,494,130	-	3,494,130	-
Economic development	4,379,895	-	4,379,895	-
Grant programs	2,472,910	-	2,472,910	-
Unrestricted	<u>(81,290,372)</u>	<u>5,217,216</u>	<u>(76,073,156)</u>	<u>3,776,214</u>
Total net assets	<u>286,522,444</u>	<u>111,087,633</u>	<u>397,610,077</u>	<u>4,376,340</u>
Total liabilities and net assets	<u>\$ 722,215,037</u>	<u>\$ 119,410,951</u>	<u>\$ 841,625,988</u>	<u>\$ 5,301,606</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
For the Year Ended SEPTEMBER 30, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 84,138,439	\$ 49,218,621	\$ 10,389,396	\$ 1,635,814
Economic development	2,802,701	-	-	2,860,673
Public safety	110,010,497	5,931,428	2,301,830	23,725
Public works	44,867,891	325,592	-	-
Culture and recreation	19,665,980	453,870	-	-
Finance	5,791,514	-	-	-
Interest on long-term debt	14,120,058	-	-	-
Total governmental activities	<u>281,397,080</u>	<u>55,929,511</u>	<u>12,691,226</u>	<u>4,520,212</u>
Business-Type Activities:				
Alabama Cruise Terminal	527,408	2,579,507	-	-
Civic Center	4,506,235	2,094,485	-	-
Convention Center	8,977,037	4,766,976	-	-
Golf course	1,452,509	1,340,499	-	-
Firemedics	5,430,599	2,487,710	-	-
Parking garage	275,939	408,137	-	-
Tennis Center	560,212	161,321	-	-
Affordable homes program	5,143	-	-	-
WAVE Transit	10,620,087	1,086,131	7,789,433	-
Total business-type activities	<u>32,355,169</u>	<u>14,924,766</u>	<u>7,789,433</u>	<u>-</u>
Total primary government	<u>313,752,249</u>	<u>70,854,277</u>	<u>20,480,659</u>	<u>4,520,212</u>
Component units:				
Mobile Public Library	9,151,920	987,556	1,378,729	208,311
Public Park and Recreation Board	1,228,841	1,266,033	-	-
Total component units	<u>\$ 10,380,761</u>	<u>\$ 2,253,589</u>	<u>\$ 1,378,729</u>	<u>\$ 208,311</u>

General Revenues:

Taxes:

- Real and personal property tax
- Sales tax
- Gasoline tax
- Room tax
- Beer and liquor tax
- Rental and leasing tax
- Cigarette stamp tax
- Other tobacco tax
- Financial excise tax
- Other tax revenue

Grants and contributions not restricted to specific programs

Investment earnings

Other

Capital Contributions and Transfers

Capital contributions

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See Accompanying Notes to the Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (22,894,608)	\$ -	\$ (22,894,608)	\$ -
57,972	-	57,972	-
(101,753,514)	-	(101,753,514)	-
(44,542,299)	-	(44,542,299)	-
(19,212,110)	-	(19,212,110)	-
(5,791,514)	-	(5,791,514)	-
(14,120,058)	-	(14,120,058)	-
<u>(208,256,131)</u>	<u>-</u>	<u>(208,256,131)</u>	<u>-</u>
-	\$ 2,052,099	2,052,099	-
-	(2,411,750)	(2,411,750)	-
-	(4,210,061)	(4,210,061)	-
-	(112,010)	(112,010)	-
-	(2,942,889)	(2,942,889)	-
-	132,198	132,198	-
-	(398,891)	(398,891)	-
-	(5,143)	(5,143)	-
-	(1,744,523)	(1,744,523)	-
<u>-</u>	<u>(9,640,970)</u>	<u>(9,640,970)</u>	<u>-</u>
<u>(208,256,131)</u>	<u>(9,640,970)</u>	<u>(217,897,101)</u>	<u>-</u>
-	-	-	\$ (6,577,324)
-	-	-	37,192
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (6,540,132)</u>
16,077,830	-	16,077,830	-
141,825,022	8,378,986	150,204,008	-
10,213,140	-	10,213,140	-
6,040,106	1,997,710	8,037,816	-
2,196,467	-	2,196,467	-
5,699,115	-	5,699,115	-
2,370,001	-	2,370,001	-
462,814	-	462,814	-
79,224	-	79,224	-
105,055	-	105,055	-
-	-	-	7,062,792
301,434	3,321	304,755	54,428
2,239,320	(9,704)	2,229,616	-
2,417,423	-	2,417,423	-
(6,780,507)	6,780,507	-	-
<u>183,246,444</u>	<u>17,150,820</u>	<u>200,397,264</u>	<u>7,117,220</u>
<u>(25,009,687)</u>	<u>7,509,850</u>	<u>(17,499,837)</u>	<u>577,088</u>
<u>311,532,131</u>	<u>103,577,783</u>	<u>415,109,914</u>	<u>3,799,252</u>
<u>\$ 286,522,444</u>	<u>\$ 111,087,633</u>	<u>\$ 397,610,077</u>	<u>\$ 4,376,340</u>

See Accompanying Notes to the Financial Statements.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the City are financed.

General Fund

Capital Improvements Fund

2006 G.O. Refunding and Capital Projects Fund

2008 General Capital Improvement Projects

2009B G.O. Capital Project – BAB Taxable Warrants

**CITY OF MOBILE, ALABAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	General Fund	Capital Improvements Fund
ASSETS		
Cash, equity in pooled cash and investments	\$ 16,372	\$ 16,162,416
Restricted cash - capital purchases	-	2,597,307
Receivables, net	20,409,548	1,802,981
Due from other funds	6,398,879	860,000
Inventories	2,087,901	-
Other assets	10,000	-
Total assets	\$ 28,922,700	\$ 21,422,704
LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,087,245	\$ 189,746
Deferred revenue	660,168	122,354
Due to other funds	230,475	350,000
Compensated absences - terminated employees	274,762	-
Insurance claims payable	790,355	-
Total liabilities	15,043,005	662,100
FUND BALANCES		
Reserved for:		
Encumbrances	823,219	8,209,059
Long-term notes receivable	1,360,000	-
Grant administration	2,472,910	-
Law enforcement	779,310	-
Economic development	-	-
Road and bridge repair	-	-
Road and bridge construction	-	-
Unreserved, reported in:		
General fund	8,444,256	-
Capital projects funds	-	12,551,545
Debt service funds	-	-
Total fund balances	13,879,695	20,760,604
Total liabilities and fund balances	\$ 28,922,700	\$ 21,422,704

See Accompanying Notes to the Financial Statements.

2006 G. O. Refunding and Capital Projects Funds	2008 General Capital Improvements Projects	2009B G O Cap Proj - BAB 2009 Taxable WTS	Governmental Funds - Non Major	Total Governmental Funds
\$ 1,819,053	\$ 12,565,808	\$ 15,570,394	\$ 32,698,747	\$ 78,832,790
-	-	-	-	2,597,307
-	-	-	1,296,634	23,509,163
-	-	-	-	7,258,879
-	-	-	-	2,087,901
-	-	-	-	10,000
<u>\$ 1,819,053</u>	<u>\$ 12,565,808</u>	<u>\$ 15,570,394</u>	<u>\$ 33,995,381</u>	<u>\$ 114,296,040</u>
\$ 97,201	\$ 433,243	\$ -	\$ 598,273	\$ 14,405,708
-	-	-	-	782,522
-	-	-	500,000	1,080,475
-	-	-	-	274,762
-	-	-	-	790,355
<u>97,201</u>	<u>433,243</u>	<u>-</u>	<u>1,098,273</u>	<u>17,333,822</u>
-	-	-	6,611	9,038,889
-	-	-	-	1,360,000
-	-	-	-	2,472,910
-	-	-	-	779,310
-	-	-	4,379,895	4,379,895
-	-	-	1,933,945	1,933,945
-	-	-	166,524	166,524
-	-	-	-	8,444,256
1,721,852	12,132,565	15,570,394	22,916,003	64,892,359
-	-	-	3,494,130	3,494,130
<u>1,721,852</u>	<u>12,132,565</u>	<u>15,570,394</u>	<u>32,897,108</u>	<u>96,962,218</u>
<u>\$ 1,819,053</u>	<u>\$ 12,565,808</u>	<u>\$ 15,570,394</u>	<u>\$ 33,995,381</u>	<u>\$ 114,296,040</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

Total Fund Balances - Governmental Funds		\$ 96,962,218
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Governmental capital assets	\$ 783,294,056	
Less accumulated depreciation	<u>(184,752,115)</u>	598,541,941
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Bond costs	3,595,291	
Less accumulated amortization	<u>(672,873)</u>	2,922,418
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(1,881,545)	
Pension contribution	(6,697,821)	
Bonds and warrants payable	(304,808,279)	
Notes payable	(1,360,000)	
Capital lease obligations	(3,285,140)	
Compensated absences	(14,329,779)	
Insurance claims payable	(6,172,979)	
Landfill postclosure liability	(933,117)	
OPEB liability	<u>(76,750,000)</u>	(416,218,660)
Deferred revenue in governmental funds is susceptible to full accrual accounting in the government-wide financial statements.		
Revenue that is deferred because it is not available to finance current expenditures.		122,355
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.		
		<u>4,192,172</u>
Total Net Assets - Governmental Activities		<u>\$ 286,522,444</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended SEPTEMBER 30, 2010

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
Revenues		
Taxes	\$ 159,982,398	\$ 10,094,534
Licenses and permits	33,239,910	-
Intergovernmental	199,992	-
Charges for services	8,184,608	-
Fines and forfeitures	4,724,902	-
State and federal assistance	15,862,989	-
Interest	248,306	736
Other revenue	1,125,461	205,944
Total revenues	<u>223,568,566</u>	<u>10,301,214</u>
Expenditures		
Current:		
General government	17,244,146	-
Economic development	946,081	-
Public safety	79,674,151	-
Public works	36,745,281	-
Culture and recreation	14,696,416	-
Finance	4,829,821	-
Nondepartmental	54,952,338	-
Capital outlay	-	2,975,651
Debt Service:		
Principal payments	-	1,700,626
Interest and fees	3,533	136,119
Total expenditures	<u>209,091,767</u>	<u>4,812,396</u>
Excess (deficiency) of revenues over expenditures	<u>14,476,799</u>	<u>5,488,818</u>
Other financing sources (uses)		
Transfers in	13,191,935	115,830
Transfers out	(18,280,325)	(12,715,131)
Insurance recoveries	2,113	-
Capital-related debt issued	-	3,200,000
Payment to refunding bond escrow agent	-	-
Premium (Discount) on bonds issued	-	-
Bond issuance costs	-	-
Proceeds from disposal of assets	3,331	-
Total other financing sources (uses)	<u>(5,082,946)</u>	<u>(9,399,301)</u>
Net change in fund balance	9,393,853	(3,910,483)
Fund balances, beginning of the year	4,485,842	24,671,087
Fund balances, end of the year	<u>\$ 13,879,695</u>	<u>\$ 20,760,604</u>

See Accompanying Notes to the Financial Statements.

2006 G. O. Refunding and Capital Projects Funds	2008 General Capital Improvements Projects	2009B G O Cap Proj - BAB 2009 Taxable WTS	Governmental Funds - Non Major	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 16,651,829	\$ 186,728,761
-	-	-	2,647,852	35,887,762
-	-	-	-	199,992
-	-	-	-	8,184,608
-	-	-	-	4,724,902
-	-	-	1,305,967	17,168,956
3,027	14,392	-	35,350	301,811
-	-	-	912,806	2,244,211
<u>3,027</u>	<u>14,392</u>	<u>-</u>	<u>21,553,804</u>	<u>255,441,003</u>
-	-	-	-	17,244,146
-	-	-	-	946,081
-	-	-	-	79,674,151
-	-	-	-	36,745,281
-	-	-	-	14,696,416
-	-	-	-	4,829,821
-	-	84,198	3,206,011	58,242,547
3,088,745	5,664,804	985,245	9,555,378	22,269,823
-	-	-	5,403,981	7,104,607
-	-	-	13,338,740	13,478,392
<u>3,088,745</u>	<u>5,664,804</u>	<u>1,069,443</u>	<u>31,504,110</u>	<u>255,231,265</u>
<u>(3,085,718)</u>	<u>(5,650,412)</u>	<u>(1,069,443)</u>	<u>(9,950,306)</u>	<u>209,738</u>
-	-	-	18,750,898	32,058,663
-	(75,814)	-	(11,045,184)	(42,116,454)
-	-	-	-	2,113
-	-	16,765,000	64,810,000	84,775,000
-	-	-	(58,207,259)	(58,207,259)
-	-	-	2,287,511	2,287,511
-	-	(125,163)	(518,187)	(643,350)
-	-	-	-	3,331
-	<u>(75,814)</u>	<u>16,639,837</u>	<u>16,077,779</u>	<u>18,159,555</u>
<u>(3,085,718)</u>	<u>(5,726,226)</u>	<u>15,570,394</u>	<u>6,127,473</u>	<u>18,369,293</u>
<u>4,807,570</u>	<u>17,858,791</u>	<u>-</u>	<u>26,769,635</u>	<u>78,592,925</u>
<u>\$ 1,721,852</u>	<u>\$ 12,132,565</u>	<u>\$ 15,570,394</u>	<u>\$ 32,897,108</u>	<u>\$ 96,962,218</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended SEPTEMBER 30, 2010

Net Change in Fund Balances - Total Governmental Funds		\$ 18,369,293
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report the acquisition of capital assets 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	\$ 21,866,680	
Less accumulated depreciation	<u>(17,239,313)</u>	4,627,367
Contributions of capital assets are not reported as income in governmental funds		2,417,423
Change in deferred revenue		6,401
Proceeds from debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statements of net assets.		
Capital-related debt issued	(84,775,000)	
Premium on bonds issued	(2,287,511)	
Bond issuance costs	643,350	
Payment to refunding bond escrow agent	58,207,259	
Principal payments - capital lease obligations	1,700,627	
Principal payments - bonds and notes payable	<u>5,623,981</u>	(20,887,294)
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 the governmental funds.		
Amortization of deferred amount on refunding	(782,645)	
Amortization of current year bond premium	298,662	
Amortization of current year bond costs	(178,606)	
Amortization of current year bond discount	(19,306)	
Change in long-term compensated absences	337,694	
Change in long-term insurance claims	485,085	
Change in long-term landfill postclosure liability	37,900	
Change in accrued interest	(123,595)	
Change in pension contribution	1,204,706	
Change in OPEB liability	(28,015,000)	
Gain (loss) on disposal of fixed assets	<u>(160,751)</u>	(26,915,856)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>(2,627,021)</u>
Change in net assets of governmental activities		<u><u>\$ (25,009,687)</u></u>

See Accompanying Notes to the Financial Statements.

PROPRIETARY FUNDS

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector.

- Mobile Civic Center
- Mobile Convention Center
- WAVE Transit
- Municipal Parking Garage
- Alabama Cruise Terminal

**CITY OF MOBILE, ALABAMA
BALANCE SHEET
PROPRIETARY FUNDS
SEPTEMBER 30, 2010**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 289,845	\$ 7,671,136	\$ 194,937
Receivables, net	101,742	1,075,502	2,197,179
Due from other funds	-	-	230,475
Other assets	22,250	5,862	151,353
Inventories	20,067	56,347	151,768
Total current assets	<u>433,904</u>	<u>8,808,847</u>	<u>2,925,712</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	5,018,260	1,889,862
Depreciable capital assets, net	8,335,407	41,197,507	20,642,792
Total noncurrent assets	<u>8,559,757</u>	<u>46,215,767</u>	<u>22,532,654</u>
Total assets	<u>\$ 8,993,661</u>	<u>\$ 55,024,614</u>	<u>\$ 25,458,366</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 251,362	\$ 581,763	\$ 1,234,669
Deferred revenue	266,879	84,385	-
Capital lease obligations - current portion	-	-	-
Insurance claims payable	-	-	-
Due to other funds	-	-	1,960,386
Total current liabilities	<u>518,241</u>	<u>666,148</u>	<u>3,195,055</u>
Noncurrent liabilities:			
Compensated absences	-	-	411,915
Self-insured liability - legal	-	-	-
Capital lease obligations, net of current portion	-	-	695,707
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,107,622</u>
Total liabilities	<u>518,241</u>	<u>666,148</u>	<u>4,302,677</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,559,757	46,215,767	21,836,947
Unrestricted	(84,337)	8,142,699	(681,258)
Total net assets	<u>8,475,420</u>	<u>54,358,466</u>	<u>21,155,689</u>
Total liabilities and fund balances	<u>\$ 8,993,661</u>	<u>\$ 55,024,614</u>	<u>\$ 25,458,366</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 688,223	\$ 549,842	\$ 571,280	\$ 9,965,263	\$ 1,259,473
235,000	551,555	1,382,350	5,543,328	14,722
780,000	-	-	1,010,475	-
-	-	-	179,465	-
-	-	65,264	293,446	-
<u>1,703,223</u>	<u>1,101,397</u>	<u>2,018,894</u>	<u>16,991,977</u>	<u>1,274,195</u>
1,895,790	574,951	1,460,640	11,063,853	-
4,705,020	17,965,632	2,655,913	95,502,271	9,302,645
<u>6,600,810</u>	<u>18,540,583</u>	<u>4,116,553</u>	<u>106,566,124</u>	<u>9,302,645</u>
<u>\$ 8,304,033</u>	<u>\$ 19,641,980</u>	<u>\$ 6,135,447</u>	<u>\$ 123,558,101</u>	<u>\$ 10,576,840</u>
\$ -	\$ -	\$ 421,639	\$ 2,489,433	\$ 494,697
4,375,000	-	-	4,726,264	-
-	-	-	-	175,492
-	-	-	-	2,072,327
-	430,000	1,756,764	4,147,150	3,041,729
<u>4,375,000</u>	<u>430,000</u>	<u>2,178,403</u>	<u>11,362,847</u>	<u>5,784,245</u>
-	-	-	411,915	-
-	-	-	-	420,000
-	-	-	695,707	180,423
-	-	-	1,107,622	600,423
<u>4,375,000</u>	<u>430,000</u>	<u>2,178,403</u>	<u>12,470,469</u>	<u>6,384,668</u>
6,600,810	18,540,583	4,116,553	105,870,417	8,776,035
(2,671,777)	671,397	(159,509)	5,217,215	(4,583,863)
<u>3,929,033</u>	<u>19,211,980</u>	<u>3,957,044</u>	<u>111,087,632</u>	<u>4,192,172</u>
<u>\$ 8,304,033</u>	<u>\$ 19,641,980</u>	<u>\$ 6,135,447</u>	<u>\$ 123,558,101</u>	<u>\$ 10,576,840</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Facility rent	\$ 449,382	\$ 748,999	\$ -
Sales revenue	-	-	-
Parking fees	294,197	182,770	-
User charges	900,354	1,029,295	970,473
Concessions	220,392	2,721,378	-
Miscellaneous revenue	230,160	84,534	115,658
Employee Contributions	-	-	-
Total operating revenues	<u>2,094,485</u>	<u>4,766,976</u>	<u>1,086,131</u>
OPERATING EXPENSES			
Utilities	655,596	625,071	189,134
Materials	-	-	-
Cost of goods sold	-	-	-
Personnel services	1,191,741	2,535,442	6,297,252
Professional and technical	275,627	3,291,638	-
Engineering	-	-	-
Commodities	89,893	418,004	1,708,950
Insurance benefit payments	-	-	315,328
Self-insured liability - legal	-	-	-
Event expenses	808,295	192,309	-
Other charges	147,396	656,676	419,586
Depreciation	1,337,687	1,255,806	1,654,759
Capital outlay	-	2,191	-
Total operating expenses	<u>4,506,235</u>	<u>8,977,137</u>	<u>10,585,009</u>
Operating income (loss)	<u>(2,411,750)</u>	<u>(4,210,161)</u>	<u>(9,498,878)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	10,376,696	-
Investment income	-	-	11
Interest and fees	-	-	(35,079)
Gain (loss) on disposal of assets	-	-	-
Operating grants and contributions	-	-	7,789,433
Cost reimbursement	-	100	-
Damaged vehicles reimbursement	-	-	-
Net nonoperating revenues (expenses)	<u>-</u>	<u>10,376,796</u>	<u>7,754,365</u>
Net income (loss) before contributions and transfers	<u>(2,411,750)</u>	<u>6,166,635</u>	<u>(1,744,513)</u>
Transfers in	1,184,881	-	8,240,286
Transfers out	-	(2,473,478)	(2,343,301)
Change in net assets	<u>(1,226,869)</u>	<u>3,693,157</u>	<u>4,152,472</u>
Net assets - beginning	<u>9,702,289</u>	<u>50,665,309</u>	<u>17,003,217</u>
Net assets - end of the year	<u>\$ 8,475,420</u>	<u>\$ 54,358,466</u>	<u>\$ 21,155,689</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
		Other Enterprise Funds		Internal Service Funds
Municipal Parking Garage	Alabama Cruise Terminal		Totals	
\$ 408,137	\$ -	\$ -	\$ 1,606,518	\$ -
-	-	144,412	144,412	-
-	-	-	476,967	-
-	-	3,840,620	6,740,742	19,656,745
-	-	4,411	2,946,181	-
-	2,579,507	88	3,009,947	1,847
-	-	-	-	4,350,269
<u>408,137</u>	<u>2,579,507</u>	<u>3,989,531</u>	<u>14,924,767</u>	<u>24,008,861</u>
-	-	175,177	1,644,978	47,694
-	-	-	-	2,532,478
-	-	85,642	85,642	-
-	-	5,827,858	15,852,293	142,407
-	-	282,453	3,849,718	1,122,832
-	60,979	-	60,979	-
19,117	(524,198)	601,879	2,313,645	-
-	-	-	315,328	22,968,773
-	-	-	-	(42,502)
-	-	-	1,000,604	-
55,178	147,715	336,419	1,762,970	1,179,427
201,644	379,693	135,747	4,965,336	2,039,165
-	463,219	4,030	469,440	-
<u>275,939</u>	<u>527,408</u>	<u>7,449,205</u>	<u>32,320,933</u>	<u>29,990,274</u>
<u>132,198</u>	<u>2,052,099</u>	<u>(3,459,674)</u>	<u>(17,396,166)</u>	<u>(5,981,413)</u>
-	-	-	10,376,696	-
147	-	3,164	3,322	52
-	-	-	(35,079)	(20,430)
(13,995)	-	4,290	(9,705)	1,008
-	-	-	7,789,433	-
-	-	740	840	6,583
-	-	-	-	89,895
<u>(13,848)</u>	<u>-</u>	<u>8,194</u>	<u>18,125,507</u>	<u>77,108</u>
118,350	2,052,099	(3,451,480)	729,341	(5,904,305)
-	-	3,336,236	12,761,403	6,577,284
-	(1,164,116)	-	(5,980,895)	(3,300,000)
118,350	887,983	(115,244)	7,509,849	(2,627,021)
3,810,683	18,323,997	4,072,288	103,577,783	6,819,193
<u>\$ 3,929,033</u>	<u>\$ 19,211,980</u>	<u>\$ 3,957,044</u>	<u>\$ 111,087,632</u>	<u>\$ 4,192,172</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended SEPTEMBER 30, 2010

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities			
Cash received from:			
User charges	\$ 900,354	\$ 753,644	\$ 1,112,257
Sales revenue	-	-	-
Internal billings	-	-	-
Employee contributions	-	-	-
Facility rent	364,134	748,999	-
Parking fees	294,197	182,770	-
Concessions	220,392	2,721,378	-
Miscellaneous	313,126	42,262	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,970,767)	(4,922,816)	(2,670,614)
Cash payments for interfund services use	-	-	-
Cash payments to employees for services	(1,191,741)	(2,535,442)	(5,857,587)
Net cash provided (used) by operating activities	<u>(1,070,305)</u>	<u>(3,009,205)</u>	<u>(7,415,944)</u>
Cash flows from non-capital financing activities			
Taxes	-	10,376,696	-
Federal operating grants received	-	-	399,150
Cost reimbursements	-	100	-
Transfers in from other funds	1,184,881	-	8,020,828
Transfers out	-	(2,473,478)	(1,556,470)
Net cash provided by non-capital financing activities	<u>1,184,881</u>	<u>7,903,318</u>	<u>6,863,508</u>
Cash flows from capital and related financing activities			
Interest payments	-	-	(35,636)
Principal Payments	-	-	(156,838)
Acquisition of capital assets	-	(18,685)	(5,180,232)
Proceeds from disposal of capital assets	-	-	-
Reimbursement for damaged vehicles	-	-	-
Payments on capital leases	-	-	-
Federal capital grants received	-	-	5,714,981
Transfers from other funds	-	-	268,697
Net cash used by capital and related financing activities	<u>-</u>	<u>(18,685)</u>	<u>610,972</u>
Cash flows from investing activities			
Investment income received	-	-	11
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>11</u>
Net increase (decrease) in pooled cash and investments	114,576	4,875,428	58,547
Pooled cash and investments - beginning of the year	175,269	2,795,708	136,390
Pooled cash and investments - end of the year	<u>\$ 289,845</u>	<u>\$ 7,671,136</u>	<u>\$ 194,937</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ -	\$ 3,568,411	\$ 6,334,666	\$ 130,404
-	-	144,412	144,412	-
-	-	-	-	19,650,460
-	-	-	-	4,219,865
306,096	-	-	1,419,229	-
-	-	-	476,967	-
-	-	4,411	2,946,181	-
-	1,966,973	88	2,322,449	1,847
-	-	-	-	(23,268,555)
(74,294)	(137,490)	(1,198,576)	(10,974,557)	(4,821,034)
-	-	14,704	14,704	(146,485)
-	-	(5,819,990)	(15,404,760)	(141,950)
<u>231,802</u>	<u>1,829,483</u>	<u>(3,286,540)</u>	<u>(12,720,709)</u>	<u>(4,375,448)</u>
-	-	-	10,376,696	-
-	-	-	399,150	-
-	-	740	840	6,583
-	-	3,336,236	12,541,945	6,577,284
-	(1,164,116)	-	(5,194,064)	(3,300,000)
<u>-</u>	<u>(1,164,116)</u>	<u>3,336,976</u>	<u>18,124,567</u>	<u>3,283,867</u>
-	-	-	(35,636)	(20,430)
-	-	-	(156,838)	-
139,949	(524,198)	(104,069)	(5,687,235)	417,783
(139,949)	-	108,738	(31,211)	(488,828)
-	-	-	-	89,895
-	-	-	-	(320,355)
-	-	-	5,714,981	-
-	-	-	268,697	-
<u>-</u>	<u>(524,198)</u>	<u>4,669</u>	<u>72,758</u>	<u>(321,935)</u>
146	-	3,164	3,321	52
<u>146</u>	<u>-</u>	<u>3,164</u>	<u>3,321</u>	<u>52</u>
231,948	141,169	58,269	5,479,937	(1,413,464)
456,275	408,673	513,011	4,485,326	2,672,937
<u>\$ 688,223</u>	<u>\$ 549,842</u>	<u>\$ 571,280</u>	<u>\$ 9,965,263</u>	<u>\$ 1,259,473</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
For the Year Ended SEPTEMBER 30, 2010

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (2,411,750)	\$ (4,210,161)	\$ (9,498,878)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	1,337,687	1,255,806	1,654,759
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	(85,248)	(289,121)	26,126
Materials and supplies	2,377	(11,470)	7,063
Prepaid expenses	-	-	(18,717)
Increase (decrease) in:			
Accounts payable	86,629	245,741	(25,963)
Accrued liabilities	-	-	19,933
Compensated absences	-	-	24,156
Pension liability	-	-	395,577
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total adjustments	<u>1,341,445</u>	<u>1,200,956</u>	<u>2,082,934</u>
Net cash provided (used) by operating activities	<u>\$ (1,070,305)</u>	<u>\$ (3,009,205)</u>	<u>\$ (7,415,944)</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 132,198	\$ 2,052,099	\$ (3,459,674)	\$ (17,396,166)	\$ (5,981,413)
201,644	379,693	135,747	4,965,336	2,039,165
-	(551,555)	(272,207)	(1,172,005)	56,181
-	-	(15,050)	(17,080)	-
-	-	-	(18,717)	-
-	(50,754)	20,999	276,652	1,373
-	-	7,868	27,801	457
-	-	-	24,156	-
-	-	-	395,577	-
-	-	-	-	(403,898)
-	-	-	-	59,172
-	-	295,777	295,777	(146,485)
(102,040)	-	-	(102,040)	-
99,604	(222,616)	173,134	4,675,457	1,605,965
<u>\$ 231,802</u>	<u>\$ 1,829,483</u>	<u>\$ (3,286,540)</u>	<u>\$ (12,720,709)</u>	<u>\$ (4,375,448)</u>

See Accompanying Notes to the Financial Statements.

COMPONENT UNITS

Mobile Public Library
The Public Park and Recreation Board

**CITY OF MOBILE, ALABAMA
STATEMENT OF NET ASSETS
COMPONENT UNITS
SEPTEMBER 30, 2010**

	Mobile Public Library	Public Park and Recreation Board	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash, equity in pooled cash and investments	\$ 3,673,218	\$ 222,593	\$ 3,895,811
Receivables:			
Accounts, notes and other - net	291,411	276,229	567,640
Depreciable capital assets, net	<u>619,297</u>	<u>218,858</u>	<u>838,155</u>
Total assets	<u>\$ 4,583,926</u>	<u>\$ 717,680</u>	<u>\$ 5,301,606</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 171,659	\$ 131,026	\$ 302,685
Due within one year:			
Compensated absences	45,725	-	45,725
	-	93,329	93,329
Due after one year:			
Compensated absences	338,827	-	338,827
Notes payable	<u>-</u>	<u>144,700</u>	<u>144,700</u>
Total liabilities	<u>556,211</u>	<u>369,055</u>	<u>925,266</u>
NET ASSETS			
Invested in capital assets, net of related debt	619,297	(19,171)	600,126
Unrestricted	<u>3,408,418</u>	<u>367,796</u>	<u>3,776,214</u>
Total net assets	<u>4,027,715</u>	<u>348,625</u>	<u>4,376,340</u>
Total liabilities and net assets	<u>\$ 4,583,926</u>	<u>\$ 717,680</u>	<u>\$ 5,301,606</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
COMPONENTS UNITS
For the year ended SEPTEMBER 30, 2010**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 9,151,920	\$ 987,556	\$ 1,378,729	\$ 208,311
Total Mobile Public Library	<u>9,151,920</u>	<u>987,556</u>	<u>1,378,729</u>	<u>208,311</u>
Public Park and Recreation Board				
Culture and recreation	1,228,841	1,266,033	-	-
Total Public Park and Recreation Board	<u>1,228,841</u>	<u>1,266,033</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 10,380,761</u>	<u>\$ 2,253,589</u>	<u>\$ 1,378,729</u>	<u>\$ 208,311</u>

General Revenues:

Payment from City of Mobile
 Payment from City of Saraland
 Grants, entitlements and contributions not restricted to specific programs
 Interest income
 Total general revenues
 Change in net assets
 Net assets - beginning of the year
 Net assets - end of the year

See Accompanying Notes to the Financial Statements.

Net (Expenses) Revenue and
Changes in Net Assets

Public Library	Public Park and Recreation Board	Totals
\$ (6,577,324)		\$ (6,577,324)
<u>(6,577,324)</u>		<u>(6,577,324)</u>
	\$ 37,192	37,192
	<u>37,192</u>	<u>37,192</u>
		<u>(6,540,132)</u>
6,570,840	-	6,570,840
171,400	-	171,400
320,552	-	320,552
<u>54,428</u>	<u>-</u>	<u>54,428</u>
<u>7,117,220</u>	<u>-</u>	<u>7,117,220</u>
539,896	37,192	577,088
<u>3,487,819</u>	<u>311,433</u>	<u>3,799,252</u>
<u>\$ 4,027,715</u>	<u>\$ 348,625</u>	<u>\$ 4,376,340</u>

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 1 - ORGANIZATION AND REPORTING ENTITY

Organization

The City of Mobile, Alabama (the City) was incorporated on January 20, 1814 under the provisions of Act 1911, No. 281, page 330; Code 1940. The City operates under a mayor-council form of government. The City engages in a comprehensive range of municipal services, including public safety, street and drainage, sanitation, health and social services, culture and recreation, public improvements, public transportation, planning and zoning, and general administrative services.

Reporting Entity

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB).

As required by accounting principles generally accepted in the United States, these financial statements present the primary government (the City) and its discretely presented component units, entities for which the government is considered financially accountable. Because the City appoints the Boards of Directors for these entities and there is a financial burden or benefit from these entities, they are considered governmental fund type component units and are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Each discretely presented component unit has a September 30 fiscal year-end.

Component Units

- **Mobile Public Library** - The Library has its own governing body which is appointed by the Council of the City of Mobile. The City contributes financial support to the Library on an annual basis. The Library's other sources of revenue come from State and Federal financial assistance, other municipalities, Mobile County and user fees.

- **The Public Park and Recreation Board (Ladd - Peebles Stadium)** - The City appropriates funds to the Public Park and Recreation Board for operational and capital outlay purposes. The members of the Board are appointed by the Council of the City of Mobile. The Board's other sources of revenue come from the rental of Ladd – Peebles Stadium to third parties.

Complete financial statements of the individual component units can be obtained directly from their administrative offices as provided below.

Mobile Public Library
700 Government Street
Mobile, AL 36602

The Public Park and Recreation Board
(Ladd-Peebles Stadium)
P.O. Box 66721
Mobile, Alabama 36660

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 1 - ORGANIZATION AND REPORTING ENTITY (continued)

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations. However, the City has no financial burden or benefit from these organizations, nor do they have the power to impose their will upon the members of their boards. Therefore, these organizations are not considered component units of the City.

The City's related organizations are as follows:

- **Board of Water and Sewer Commissioners of the City of Mobile (BWSC)** – BWSC is a separate governmental unit granted independent authority by the State of Alabama General Statutes. All of the five board members are appointed by the Council of the City of Mobile. BWSC has the ability to issue its own debt, and its operations are financed through water and sewer usage fees.
- **Mobile Housing Board** - The Mayor appoints members to the governing board and can remove members for cause. The Housing Board has complete legislative and administrative authority. The Housing Board's primary revenues come from rents and monies received from the Federal government.
- **Mobile Airport Authority** - The Mayor appoints members to the governing board and can remove members for cause. The Airport Authority has complete legislative and administrative authority and has the ability to issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.

Joint Ventures

The City is a participant with other local governments in joint ventures to operate the following organizations:

- **Mobile Board of Health** - The Mayor and the Council of the City of Mobile do not appoint the board members for the Mobile Board of Health. The City is legally required to contribute financial support to the Board of Health on an annual basis. The City contributed \$600,000 to the Mobile Board of Health during the fiscal year ended September 30, 2010. The Mobile Board of Health receives contributions from other municipalities included within Mobile County as well as from Mobile County. Of the contributing entities, not one entity has unilateral control over the operations of the Mobile Board of Health. In addition, the Mobile Board of Health receives State and Federal financial assistance. The City has no equity interest in the Mobile Board of Health. Complete financial statements for the Mobile Board of Health may be obtained from their administrative office at 251 North Bayou Street, Mobile, Alabama 36601.
- **Mobile Emergency Management** - The board members for Mobile Emergency Management are the mayors for the municipalities in Mobile County and the President of the Mobile County Commission or their appointees. The City is legally required to contribute financial support to Mobile Emergency Management on an annual basis. The City contributed \$432,876 to Mobile Emergency Management during the fiscal year ended September 30, 2010. Mobile Emergency Management receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile Emergency Management. Complete financial statements for Mobile Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 1 - ORGANIZATION AND REPORTING ENTITY (continued)

• **Mobile Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner and various county judges. The City is legally required to contribute financial support to the Personnel Board on an annual basis. The City contributed \$1,206,525 to the Mobile Personnel Board during the fiscal year ended September 30, 2010. The Mobile Personnel Board also receives contributions from all municipalities included within Mobile County as well as from Mobile County. The City has no equity interest in the Mobile Personnel Board. Complete financial statements for the Mobile Personnel Board may be obtained from their administrative office at P.O. Box 66794, Mobile, Alabama 36660-1794.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant of the government's accounting policies are described below.

Basis of Presentation - Government-wide and Fund Accounting

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The focus is on either the City as a whole or major individual funds. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public works, public safety, etc.) which are otherwise being supported by general government revenues (taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses, including depreciation, by related program revenues (charges for services, operating and capital grants, and contributions). The program revenues must be directly associated with a function or a business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are not eliminated from the various functional categories. The City does not allocate indirect expenses. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the governmental fund statements to the government-wide statements' governmental column.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The focus of this reporting model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, the City's accounting records are organized and operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and 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 the specific activities or attaining certain objectives, in accordance with special regulations, restrictions or limitations.

The types of funds used in accounting for the financial operations of the City and their nature and purpose are as follows:

Governmental Funds - Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

General Fund - The General Fund is the general operating fund of the City and is considered a major governmental fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds, are paid from the General Fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds are considered non-major governmental funds. Special Revenue Funds used by the City are as follows:

- Four-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of electricity for street lights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Economic Development - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning from the Mobile Housing Board.

- Tax Increment - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.

Debt Service Funds - These funds are non-major governmental funds used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues. Debt service funds used by the City are as follows:

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.

- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.

- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.

- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.

- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.

- 2008 General Obligation Capital Improvement Warrants - This fund is used to service the debt outstanding on the 2008 General Obligation Capital Improvement Warrants.

- 2008B & C General Obligation Refunding and Capital Improvement Warrants - This fund is used to service both 2008B and 2008C General Obligation Refunding and Capital Improvement Warrants.

- 2009 General Obligation Warrants - Copiers - This fund is used to service the debt outstanding on the 2009 General Obligation Warrants - Copiers.

- Small Issue Warrants - This fund is used to service the remaining debt outstanding on the General Obligation Taxable Build America Warrant, Series 2010.

- 2002 & 2009A G O Refunding Warrants - This fund is used to service the debt outstanding on the 2002 & 2009A General Obligation Refunding Warrants.

- 2009B G O BAB Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Build America Warrants Series 2009B (Taxable).

- 2009C G O ARRA Capital Taxable Warrants - This fund is used to service the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable).

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Projects Funds - These funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types). Capital Projects Funds used by the City are as follows:

- Capital Improvements - This fund is considered a major governmental fund and is used to provide for necessary capital improvements and is financed by the one and two thirds cents sales tax.
- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area. This fund was financed by the 1995 General Obligation Capital Improvement Warrants.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 1998 General Obligation Private Placement Projects - This fund is to provide for the acquisition of a new financial system and work order system.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufactures steel products by I.P.S.C.O.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 2002 Limited Obligation Tax Increment Capital Projects - This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- 2006 General Obligation Refunding and Capital Projects - This fund is a major governmental fund used to provide for certain capital improvement projects of the City. This fund was financed by the 2006 General Obligation Refunding and Capital Warrants.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 2008 General Capital Improvements Projects - This fund is used to provide for certain capital improvement projects of the City.
- 2008-B General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 2008-C General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 2009A G O Refunding - This fund is used to refund the 2002 General Obligation Refunding Warrants, a non-major governmental fund used to provide for certain capital improvement projects of the City. This fund was financed by the General Obligation Refunding Warrants Series 2009A.
- 2009B G O Capital Project- BAB 2009 Taxable Warrants - This fund, the General Obligation Build America Warrants Series 2009B (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- 2009C G O Capital Project - ARRA 2009 Taxable Warrants - This fund, the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- Small Issue G O Warrants - This fund is used to purchase pumper trucks for the City's fire department.

Proprietary Funds - Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues shown for proprietary operations generally result from producing or providing goods and services. Operating expenses for these operations include all costs related to providing the service or product. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City's proprietary funds are as follows:

Enterprise Funds - The City has the following nine enterprise funds to account for activities whose operations are financed and operated in a manner similar to private business operations where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges. The City has determined that periodic determination of revenues earned, expenses incurred and net income is appropriate for capital maintenance, public policy, management control and accountability.

- Mobile Civic Center - This major enterprise fund is used to account for the operations of the Mobile Civic Center which include activities such as sporting events, social events, musical performances, and theatrical performances.
- Mobile Convention Center - This major enterprise fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- WAVE Transit - This major enterprise fund is used to account for the operations of the City's public transportation system which derives the majority of its income from passenger fare revenues and various government subsidies.
- Alabama Cruise Terminal - This major enterprise fund is used to account for the operations of the Alabama Cruise Terminal, a cruise ship homeport, which includes an arrival and departure terminal facility and secured parking facilities.
- Municipal Parking Garage - This major enterprise fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.
- Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.
- Firemedics - This fund is used to account for the operations of the firemedics division which provides ambulance services to the general public.
- Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.
- Affordable Homes Program - This fund is used to account for the operations of the Affordable Homes Program which derives the majority of its income from rental activity.

Internal Service Funds - These funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The internal service funds are included in governmental activities for government-wide reporting purposes. The excess revenue or expenses for the funds are allocated to the appropriate functional activity (governmental activities). Excess amounts have not been allocated to any business-type activity since these amounts would be insignificant. The City's internal service funds are as follows:

- Motor Pool - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.
- Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.
- Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements, as well as the enterprise funds, apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Fund Financial Statements

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both "measurable and available" to finance current expenditures. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the City considers revenue available if it is collected within 60 days after year end). Selective sales and use taxes are considered available and measurable when the underlying exchange has occurred (i.e., September sales taxes are recorded as revenue in September even though the taxpayers remit the taxes in October) and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Property taxes are recognized as revenue when the enforceable legal claim has occurred. Grant revenues are recognized when all eligibility requirements have been met.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditures (including capital outlay) are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are exceptions to this rule and are recognized when due. Also, expenditures related to insurance claims, employee pension liability, compensated absences and the sinking fund are recognized when payable from expendable available financial resources.

Proprietary Funds

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting - The City follows these procedures in establishing the budgetary data presented in the accompanying financial statements:

- Prior to August 20, the Mayor submits to the City Council a proposed current revenue and expenditure budget for the general operations of the City government for the fiscal year beginning October 1, which constitutes the General Fund Budget, a Capital Budget and a budget message. However, a legally adopted budget is only required for the General Fund. By law, expenditures may not exceed revenues and surplus available, if any.
- A public hearing is held to obtain final taxpayer input, and necessary revisions are made not later than September 30.
- The budget is adopted by a majority vote of the City Council, and any required revenue measures are legally enacted through passage of an ordinance.
- Changes or amendments to budgeted expenditures of the City at the departmental and fund level must be approved by the City Council.
- Departmental expenditures may not legally exceed budgetary appropriations for the General Fund. Accordingly, the legal level of budgetary control is established within the General Fund at the departmental level. Management may amend the budget at the object level within departments without City Council approval. All unencumbered balances lapse at year-end.

Revenue Recognition - Ad valorem taxes are assessed on property valuations and statutory liens are attached to such properties as of October 1st each year. These taxes are due October 1st, but do not become delinquent until December 31st, after which penalty fees are levied. If taxes and penalties are not paid by June 30th of the following year, the property is then sold for taxes due and remittance is made at this time by the Mobile County Tax Collector to the City of Mobile. All tax levies are collected and remitted to the City of Mobile by the end of the City's fiscal year; consequently, the financial statements do not have accounts receivable or allowance for uncollected tax levies.

Other material revenue which is susceptible to accrual includes sales tax, interest income and state-shared revenue. Revenue which is not both available and measurable and is thus not susceptible to accrual includes property and franchise taxes and business licenses.

Deferred Revenue - The fund financial statements include both unearned revenue and revenue that is not considered available to finance current expenditures. The government-wide financial statements include only unearned revenue.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund and Capital Projects Funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent year expenditures. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end. Encumbrances have been recorded in the General Fund and Capital Projects Funds.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Cash and Investments - Pooled cash and investments consist of cash, government securities, certificates of deposit, and repurchase agreements. Cash balances and the requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is recorded as General Fund revenue and allocated between funds based upon balances (see Note 3). The City reports its money market investments and investments in short-term debt securities that have remaining maturities of one year or less at amortized cost.

Inventories - All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of traffic engineering, municipal garage, public buildings, and electrical department supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

Interfund Transactions - On fund financial statements, receivables and payables resulting from outstanding balances are classified as "interfund receivables/payables." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Flow of cash or goods from one fund to another without a requirement for repayment is reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. The government-wide statements eliminate interfund transfers and receivables/payables as reported within the segregated governmental and business-type activities column. Only transfers and receivables/payables between the two columns appear in this statement, which zero in total. Interfund services provided and used are not eliminated in the process of consolidation.

Capital Assets - The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair market value on the date donated. The City capitalizes assets with a cost of \$2,500 or more as purchase and construction outlays occur.

Infrastructure has been capitalized retroactively to 1980 using estimated historical costs.

Intangible assets are those that lack physical substance, are non-financial in nature and the initial useful life extends beyond a single reporting period. In accordance with GASB Statement No. 51, the City has capitalized and reported intangible assets in the fiscal year ending September 30, 2010. Those intangible assets consist of easements with indefinite useful lives and are not amortized. The easements were valued based on fair value associated with land. According to Statement 51, retroactive reporting of intangible assets considered to have indefinite useful lives as of the effective date of the statement, is not required but is permitted. The City has elected not to retroactively report such assets.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Types of Assets</u>	<u>Estimated Useful Life</u>
Buildings	25-60 years
Improvements	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Machinery and equipment	5-10 years
Automotive equipment	3-15 years
Office equipment	6 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

Bond Discounts, Premiums and Issuance Costs - In the governmental funds, bond discounts, premiums and issuance costs are treated as period costs in the year of issue.

In the government-wide financial statements, bond discounts, premiums and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method which approximates the effective interest method. Bond discounts/premiums are presented as a reduction/addition to the face amount of the bonds payable whereas issuance costs are recorded as other assets.

Compensated Absences - The GASB requires that accrued liabilities for future vacations and sick leave be recorded if, (1) the employees' rights to receive compensation are attributable to services already rendered, and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the enterprise funds, the compensated absences liability is presented in the balance sheet, and is classified as current and non-current. In the governmental fund financial statements, amounts that would normally be paid with expendable available financial resources once the liability has matured, for example as a result of employee resignations and retirements, are recorded in the General Fund, and the amounts considered noncurrent are not reported in the fund financial statements. Amounts paid or payable within 60 days are deemed to be payable from expendable financial resources.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity Classifications

Government-wide Financial Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds and mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations.
- Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements

The fund equity of the governmental fund financial statements is classified as fund balance. Fund balance is further classified as reserved and unreserved. The fund equity of the proprietary fund financial statements is classified in the same manner as the government-wide financial statements.

Statement of Cash Flows - For the purposes of the Statement of Cash Flows, the proprietary funds consider cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Adoption of new GASB pronouncements:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Issued June 2007, the objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of state and local governments. This Statement requires that an intangible be recognized in the statement of net assets only if it is considered identifiable and that it must be treated like capital assets. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. GASB 51 is effective for the City fiscal year October 1, 2009 - September 30, 2010 and has been implemented in this year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Issued June 2008, the objective of this Statement is to improve the recognition, measurement, and disclosures regarding derivative instruments, thereby improving the understandability of a government's resources available to provide services. Though the changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools, there is significant exposure to risks and liabilities. Disclosure requirements include the objectives, terms and risks of hedging derivative instruments, a summary of the activity that provides an indication of the location of fair value amounts reported in the financial statements. The City currently has no derivative instruments and therefore GASB No. 53 will have no effect on its current financial statements.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2010:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Issued February 2009, the objective of this Statement is to improve the usefulness and understandability of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users better understand the purposes for which governments have chosen to use particular for financial reporting. GASB 54 will be effective for the City fiscal year October 1, 2010 - September 30, 2011.

GASB Statement No. 59, *Financial Instruments Omnibus*. Issued June 2010 and effective for periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The City is currently evaluating the impact, if any, that GASB No. 59 will have on its financial statements.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Issued November 2010, the objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. GASB 60 will be effective for financial statements with periods beginning after December 15, 2011. The City is currently evaluating the impact, if any, that GASB 60 will have on its financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. Issued November 2010, the objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. The City is currently evaluating the impact, if any, that GASB 61 will have on its financial statements.

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Issued December 2010, the objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions or Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City is currently evaluating the impact, if any, that GASB 62 will have on its financial statements.

The City of Mobile will implement the new GASB pronouncement in the fiscal year no later than the required effective date. The City has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the City or in issuing its financial statements.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS

Deposits

Cash balances available for investment by most City funds are maintained in pooled cash and investment accounts to improve investment opportunities. The equity in pooled cash and investment balances in the accompanying combined balance sheet represents the undivided interest of each respective fund in pooled accounts.

Included as deposits are bank accounts and certificates of deposit. Each of the banks holding the City's unrestricted deposits, as well as those of the Component Units, is a certified participant in the Security for Alabama Funds Enhancement (SAFE) program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City's primary government deposits were fully insured or collateralized at September 30, 2010; however, the City's restricted cash for capital purchases was not fully insured or collateralized at year end. At year-end, the carrying amount of the City's deposits was \$92,654,835 and the bank balance was \$93,542,566. Included in the bank balances are certificates of deposit totaling \$32,797,400. Of the total bank balance, \$5,944,835 was covered by Federal Depository Insurance and \$87,250,424 was covered under the SAFE program.

Investments

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances and commercial paper. In each case, all funds must be fully insured or collateralized by the pledge of securities. Securities allowed as collateral include U.S. Government Treasury and Agency securities, State of Alabama Obligations and City of Mobile Obligations. As of September 30, 2010, the City had the following investments:

	Fair Value	Weighted Average Maturity (Years)
Money market funds	\$ 40,310,687	0.0027
Sweep accounts	13,180,907	0.0027
Certificates of deposit	<u>32,797,400</u>	0.0458
	<u>\$ 86,288,994</u>	

Credit Risk and Concentration of Credit Risk

The City's investment policy prohibits the purchase of debt securities rated below AA. As of September 30, 2010, the City's investments in money market accounts are under the SAFE program. The investment policy also requires diversification of the City's investment portfolio by security type and institution. With the exception of U.S. Treasury Securities, the City will allow no more than 65% of its investment portfolio to be invested in single security types.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

CASH, EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Custodial Credit Risk

The City's investment policy includes a requirement that City funds be collateralized at 102%. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than one year.

NOTE 4 - RECEIVABLES

Receivables at September 30, 2010 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Receivables			
Taxes	\$ 16,881,675	\$ 1,442,700	\$18,324,375
Customers and other	3,770,943	8,556,065	12,327,008
Other governmental units	2,893,507	5,703	2,899,210
	<u>23,546,125</u>	<u>10,004,468</u>	<u>33,550,593</u>
Gross receivables	23,546,125	10,004,468	33,550,593
Allowance for uncollectables	(22,239)	(4,461,140)	(4,483,379)
	<u>(22,239)</u>	<u>(4,461,140)</u>	<u>(4,483,379)</u>
Net receivables	<u>\$ 23,523,886</u>	<u>\$ 5,543,328</u>	<u>\$29,067,214</u>

Substantially all receivables are due in fiscal year 2011, except General Fund assessments receivable for lot cleaning and building demolitions of \$2,481,984, a long-term note receivable from the Mobile Housing Board for \$1,360,000 and Capital Projects Funds assessments receivable for public improvements of \$121,354.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 5 - INTERFUND TRANSFERS

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. Interfund transfers for the year ended September 30, 2010, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 3,254,084	\$ 76,250
Other Governmental Funds	3,698,459	175,000
Internal Service Funds	3,300,000	6,577,284
Mobile Civic Center	-	1,184,881
WAVE Transit	1,256,627	7,740,286
Other Enterprise Funds	-	2,312,807
Total General Fund	<u>11,509,170</u>	<u>18,066,508</u>
Capital Improvements Fund		
General Fund	76,250	3,254,084
Other Governmental Funds	39,580	8,961,047
WAVE Transit	-	500,000
Total Capital Improvements Fund	<u>115,830</u>	<u>12,715,131</u>
Other Governmental Funds		
General Fund	175,000	3,698,459
Capital Improvements Fund	8,961,047	39,580
Other Governmental Funds	6,573,346	6,573,346
Mobile Convention Center	2,473,478	-
Alabama Cruise Terminal	1,164,116	-
WAVE Transit	1,086,674	-
Other Enterprise Funds	-	1,023,428
Total Other Governmental Funds	<u>20,433,661</u>	<u>11,334,813</u>
Internal Service Funds		
General Fund	<u>6,577,284</u>	<u>3,300,000</u>
Total Internal Service Funds	<u>6,577,284</u>	<u>3,300,000</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	1,184,881	-
Total Mobile Civic Center	<u>1,184,881</u>	<u>-</u>
Mobile Convention Center		
Other Governmental Funds	-	2,473,478
Total Mobile Convention Center	<u>-</u>	<u>2,473,478</u>
WAVE Transit		
General Fund	7,740,286	1,256,627
Capital Improvements Fund	500,000	-
Other Governmental Funds	-	1,086,674
Total WAVE Transit	<u>8,240,286</u>	<u>2,343,301</u>
Alabama Cruise Terminal		
Other Governmental Funds	-	1,164,116
Total Alabama Cruise Terminal	<u>-</u>	<u>1,164,116</u>
Other Enterprise Funds		
General Fund	2,312,807	-
Other Governmental Funds	1,023,428	-
Total Other Enterprise Funds	<u>3,336,235</u>	<u>-</u>
	<u>\$ 51,397,347</u>	<u>\$ 51,397,347</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Generally, outstanding balances between funds reported as "due to/from other funds" include subsidy commitments outstanding at year-end and other miscellaneous receivables/payables between funds.

Interfund receivables and payables at September 30, 2010, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Governmental Funds		
General Fund		
WAVE Transit	\$ 230,475	\$ 1,960,386
Other Enterprise Funds	-	1,396,764
Internal Service Funds	-	3,041,729
Total General Fund	<u>230,475</u>	<u>6,398,879</u>
Capital Improvements Fund		
Municipal Parking Garage	350,000	-
Other Governmental Funds	-	500,000
Other Enterprise Funds	-	360,000
Total Capital Improvements Fund	<u>350,000</u>	<u>860,000</u>
Other Governmental Funds		
Capital Improvements Fund	500,000	-
Total Other Governmental Funds	<u>500,000</u>	<u>-</u>
Internal Service Funds		
General Fund	3,041,729	-
Total Internal Service Funds	<u>3,041,729</u>	<u>-</u>
WAVE Transit		
General Fund	1,960,386	230,475
Total WAVE Transit	<u>1,960,386</u>	<u>230,475</u>
Municipal Parking Garage		
Capital Improvements Fund	-	350,000
Cruise Terminal	-	430,000
Total Municipal Parking Garage	<u>-</u>	<u>780,000</u>
Cruise Terminal		
Municipal Parking Garage	430,000	-
Total Cruise Terminal	<u>430,000</u>	<u>-</u>
Other Enterprise Funds		
General Fund	1,396,764	-
Capital Improvements Fund	360,000	-
Total Other Enterprise Funds	<u>1,756,764</u>	<u>-</u>
	<u>\$ 8,269,354</u>	<u>\$ 8,269,354</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES (continued)

Substantially all interfund balances are expected to be repaid within one year except \$350,000 due to the Municipal Parking Garage from the Capital Improvements Fund, \$500,000 due to the Capital Improvements Fund from the Strategic Plan Fund, and \$360,000 due to Capital Improvements Fund from Azalea City Golf Course.

NOTE 7 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2010:

	Capital Assets, Not Depreciated				Capital Assets, Depreciated					Totals
	Land	Construction in Progress	Infrastructure in Progress	Intangible Assets	Buildings	Improvements Other Than Buildings	Vehicular Equipment	Other Equipment	Infrastructure	
Balance, 10/1/09	\$ 24,546,989	\$ 30,866,153	\$ 54,518,641	\$ -	\$ 59,787,924	\$ 95,920,166	\$ 52,684,832	\$ 43,318,074	\$ 433,431,491	\$ 795,074,270
Additions	969,036	12,255,529	7,024,349	474,428	-	4,465,593	595,261	674,575	17,406,376	43,865,147
Deductions	-	(4,465,593)	(14,988,953)	-	(15,000)	-	(749,451)	(843,912)	-	(21,062,909)
Balance, 9/30/10	<u>25,516,025</u>	<u>38,656,089</u>	<u>46,554,037</u>	<u>474,428</u>	<u>59,772,924</u>	<u>100,385,759</u>	<u>52,530,642</u>	<u>43,148,737</u>	<u>450,837,867</u>	<u>817,876,508</u>
Accumulated Depreciation										
Balance, 10/1/09	-	-	-	-	23,884,203	28,712,021	35,284,864	30,451,426	73,814,095	192,146,609
Additions	-	-	-	-	1,014,099	4,065,945	3,171,199	1,833,566	9,193,669	19,278,478
Deductions	-	-	-	-	(4,365)	-	(670,809)	(717,991)	-	(1,393,165)
Balance, 9/30/10	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,893,937</u>	<u>32,777,966</u>	<u>37,785,254</u>	<u>31,567,001</u>	<u>83,007,764</u>	<u>210,031,922</u>
Capital Assets, Net	<u>\$ 25,516,025</u>	<u>\$ 38,656,089</u>	<u>\$ 46,554,037</u>	<u>\$ 474,428</u>	<u>\$ 34,878,987</u>	<u>\$ 67,607,793</u>	<u>\$ 14,745,388</u>	<u>\$ 11,581,736</u>	<u>\$ 367,830,103</u>	<u>\$ 607,844,586</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 7 - CAPITAL ASSETS (continued)

Construction in progress consists of the following:

	Balance October 01, 2009	Additions	Deductions	Balance September 30, 2010
Municipal Garage Expansion	\$ 917,475	\$ 14,385	\$ -	\$ 931,860
GIS Mapping System	2,897,808	25,753	-	2,923,561
Police - Joint Use Firearms Range	1,991,453	-	(1,991,453)	-
Waterfront Development	15,113,383	1,443,567	-	16,556,950
Fort Conde Construction - HUD 108	1,101,002	54,240	(1,155,242)	-
Sage Avenue Armory - New Renovations	142,058	1,084,602	-	1,226,660
Springhill Avenue Recreation Center Renovation	600,915	16,024	-	616,939
New Towing Facility - Impound Yard	626,820	171,131	-	797,951
New Public Safety Facility	1,862,521	3,869,685	-	5,732,206
Cruise Terminal and Gangway	519,985	2,545,662	-	3,065,647
Fire-Miscellaneous Fire Station Improvements	635,274	830,088	-	1,465,362
Kidd Park Improvements	5,087	10,841	-	15,928
Lavretta Park Improvements	79,386	5,098	-	84,484
Purchase and Renovate 200 Government St. Building	82,140	568,876	-	651,016
Fire-Warehouse Purchase & Renovate	522,943	997	(523,940)	-
Police-Renovate 850 St. Anthony Building	1,674	61,499	-	63,173
Ladd Stadium Renovations FY09	2,966,052	124,287	-	3,090,339
Broad Street Pocket Parks Ph 2	791,738	3,220	(794,958)	-
Theodore Area Park	5,988	-	-	5,988
New Theodore Fire Station	-	90,372	-	90,372
Metro 800 MHZ Emergency Radios	-	1,335,202	-	1,335,202
Parks - Annexed Areas	2,451	-	-	2,451
Total	<u>\$ 30,866,153</u>	<u>\$ 12,255,529</u>	<u>\$ (4,465,593)</u>	<u>\$ 38,656,089</u>

As of September 30, 2010, commitments to contractors on capital projects totaled approximately \$15.5 million. Budgeted costs to complete projects in progress totaled approximately \$47.2 million.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 7 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 14,186,431
Economic development	3,016
Public safety	2,222,050
Public works	801,739
Culture and recreation	2,054,437
Finance	10,805
Total depreciation expense	<u>\$ 19,278,478</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2010:

	<u>Capital Assets, Not Depreciated</u>		<u>Capital Assets, Depreciated</u>				<u>Totals</u>
	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Vehicular Equipment</u>	<u>Other Equipment</u>	
Balance, 10/1/09	\$ 10,381,036	\$ 1,054,199	\$ 126,292,198	\$ 11,062,305	\$ 11,066,054	\$ 6,538,242	\$ 166,394,034
Additions	82,640	561,807	2,675	1,015,829	4,907,742	253,228	6,823,921
Deductions	-	(1,015,829)	(94,500)	-	(28,661)	(224,191)	(1,363,181)
Balance, 9/30/10	<u>10,463,676</u>	<u>600,177</u>	<u>126,200,373</u>	<u>12,078,134</u>	<u>15,945,135</u>	<u>6,567,279</u>	<u>171,854,774</u>
Accumulated Depreciation							
Balance, 10/1/09	-	-	43,455,143	4,822,882	8,058,721	4,234,571	60,571,317
Additions	-	-	2,336,917	1,206,256	845,537	576,626	4,965,336
Deductions	-	-	(22,321)	-	(24,723)	(200,959)	(248,003)
Balance, 9/30/10	<u>-</u>	<u>-</u>	<u>45,769,739</u>	<u>6,029,138</u>	<u>8,879,535</u>	<u>4,610,238</u>	<u>65,288,650</u>
Capital Assets, Net	<u>\$ 10,463,676</u>	<u>\$ 600,177</u>	<u>\$ 80,430,634</u>	<u>\$ 6,048,996</u>	<u>\$ 7,065,600</u>	<u>\$ 1,957,041</u>	<u>\$ 106,566,124</u>

Approximately \$6.8 million (cost of \$12.1 million and accumulated depreciation of \$5.3 million) of the Municipal Parking Garage property is leased to others as of September 30, 2010. (See Note 13)

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

Civic center	\$ 1,337,687
Convention center	1,255,806
Cruise Terminal	379,693
WAVE Transit	1,654,759
Parking garage	201,644
Golf course	120,235
Firemedics	5,859
Tennis center	5,622
Affordable homes program	4,031
Total depreciation expense	<u>\$ 4,965,336</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 8 - LONG-TERM DEBT

New Debt Issuances

On December 9, 2009 the City issued 2009A G.O. Refunding Warrants in the amount of \$56,380,000. The Series 2009A Warrants were issued for the purpose of refunding the City's General Obligation Refunding Warrants, Series 2002. On the same date the City issued 2009B (Taxable) G. O. Build America Warrants and 2009C (Taxable) G. O. Recovery Zone Economic Development Warrants in the amounts of \$16,765,000 and \$6,430,000 respectively. These warrants are for the construction of Gulf Quest Maritime Museum, a parking facility and a fire station.

On February 17, 2010 the City issued G. O. Taxable Build America Warrants, Series 2010 in the amount of \$2,000,000 for the purchase of fire pumper trucks.

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2010:

\$31,430,000; 2001 General Obligation Refunding Warrants, due annually with interest payable semi-annually at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020	\$ 12,360,000
\$10,655,000; 2002 Limited Obligation Tax Increment Warrants; due annually with interest payable semi-annually at rates ranging from 3.75% to 5.50% per annum; maturing February 15, 2023	8,545,000
\$63,410,000; 2006 General Obligation Refunding and Improvement Warrants; due annually with interest payable semi-annually at rates ranging from 4.38% to 5.00% per annum; maturing February 15, 2030	55,665,000
\$3,100,000; 2006 General Obligation Private Placement Warrants; due semi-annually with interest payable semi-annually at a rate of 4.50% per annum; maturing August 15, 2016	2,040,000
\$57,000,000; 2008 General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030	57,000,000
\$69,295,000; 2008B General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020	69,295,000
\$22,095,000; 2008C (AMT) General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030	22,095,000
\$569,000; 2009 General Obligation Warrants, due semi-annually with interest payable annually at 3.84% per annum; maturing August 15, 2012	290,095
\$56,380,000; 2009A General Obligation Refunding Warrants; due semi-annually with interest payable at 3.00% to 6.00% per annum; maturing February 15, 2028	56,380,000
\$16,765,000; 2009B G.O. Build America Bond Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030	16,765,000
\$6,430,000; 2009C General Obligation Recovery Zone Economic Development Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030	6,430,000
\$2,000,000; 2010 General Obligation Build America Bond (Equipment); due semi-annually with interest payable at 4.230% per annum; maturing February 15, 2015	1,818,096
Total bonds/warrants payable	\$ 308,683,191
\$2,000,000; note payable to Chemical Bank of New York, annual principal payments ranging from \$40,000 to \$200,000 through August 2012, semi-annual interest payments with rates ranging from 3.73% to 7.90% per annum	\$ 380,000
\$1,275,000; note payable to JPMorgan Chase, annual principal payments ranging from \$40,000 to \$115,000 through August 2022, semi-annual interest payments at LIBOR plus 0.2% (0.83% at September 30, 2010)	980,000
Total notes payable	\$ 1,360,000

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 8 - LONG-TERM DEBT (continued)

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

Bonds/Warrants Payable	Fiscal Year Ending September 30	Governmental Activities		
		Principal	Interest	Total
2011		\$ 5,832,239	\$ 14,715,120	\$ 20,547,359
2012		10,353,731	14,380,341	24,734,072
2013		11,302,764	13,928,874	25,231,638
2014		11,370,126	13,449,110	24,819,236
2015		11,679,330	12,938,160	24,617,490
2016-2020		67,195,000	55,760,189	122,955,189
2021-2025		84,285,000	37,282,941	121,567,941
2026-2030		106,665,001	14,246,587	120,911,588
Subtotals		308,683,191	176,701,322	485,384,513
Plus: bond Premium		4,491,795	(4,491,795)	-
Less: Deferred Bond Discount		(331,479)	331,479	-
Less: Deferred amount on refunding		(8,035,228)	8,035,228	-
Totals		<u>\$ 304,808,279</u>	<u>\$ 180,576,234</u>	<u>\$ 485,384,513</u>
Notes Payable				
2011		\$ 235,000	\$ 71,557	\$ 306,557
2012		260,000	60,931	320,931
2013		65,000	48,635	113,635
2014		70,000	45,333	115,333
2015		70,000	41,700	111,700
2016-2020		440,000	144,184	584,184
2021-2022		220,000	19,780	239,780
Totals		<u>\$ 1,360,000</u>	<u>\$ 432,120</u>	<u>\$ 1,792,120</u>

The City has entered into capital leases for various items including an aerial ladder truck, garbage trucks and cans, fire trucks, heavy equipment for the motor pool, police cars, heavy equipment for public works and services. Future debt service payments under these governmental activity capital leases are as follows:

Fiscal Year Ending September 30	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total Minimum Future Lease Payments
2011	\$ 1,119,964	\$ 120,991	\$ 1,240,955
2012	616,567	83,411	699,978
2013	451,583	62,902	514,485
2014	467,568	46,918	514,486
2015	484,118	30,367	514,485
2016	501,255	13,229	514,484
Totals	<u>\$ 3,641,055</u>	<u>\$ 357,818</u>	<u>\$ 3,998,873</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 8 - LONG-TERM DEBT (continued)

The City previously entered into a capital lease for six diesel transit buses for use in public transportation. Future debt service payments under these business-type activity capital leases are as follows:

Fiscal Year Ending September 30	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total Minimum Future Lease Payments
2011	\$ 163,394	\$ 29,080	\$ 192,474
2012	170,224	22,251	192,475
2013	177,339	15,135	192,474
2014	184,750	7,723	192,473
Totals	<u>\$ 695,707</u>	<u>\$ 74,189</u>	<u>\$ 769,896</u>

Generally, the capital leases provide for bargain purchase options or options to purchase at prices representing the expected fair value of the property.

The following is an analysis of the leased property under capital leases by major classes:

	Governmental Activities	Business-Type Activities
Vehicles	\$ 4,330,498	\$ 1,527,798
Equipment	173,122	-
	<u>4,503,620</u>	<u>1,527,798</u>
Less: Accumulated amortization	1,879,818	772,201
	<u>\$ 2,623,802</u>	<u>\$ 755,597</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 8 - LONG-TERM DEBT (continued)

The following is a summary of the changes in liabilities reported in the Statement of Net Assets for the year ended September 30, 2010:

	<u>Balance October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
Governmental Activities					
General and limited obligation					
bonds/warrants	\$ 284,867,172	\$ 81,575,000	\$ 57,758,981	\$ 308,683,191	\$ 5,832,239
Plus: Bond premium	3,167,279	2,287,511	962,995	4,491,795	-
Less: Bond discount	(350,785)	-	(19,306)	(331,479)	-
Less: Deferred amount on refunding	<u>(3,442,934)</u>	<u>(5,374,939)</u>	<u>(782,645)</u>	<u>(8,035,228)</u>	<u>-</u>
Total general and limited obligation bonds/warrants	284,240,732	78,487,572	57,920,025	304,808,279	5,832,239
Notes payable	1,580,000	-	220,000	1,360,000	235,000
Obligations under capital leases	2,462,037	3,200,000	2,020,982	3,641,055	1,119,964
Compensated absences	14,872,161	831,426	1,099,046	14,604,541	1,099,046
Self-insured legal liability	420,000	-	-	420,000	-
Insurance claims	9,412,940	25,152,120	25,529,399	9,035,661	5,233,747
Landfill postclosure liability	971,017	-	37,900	933,117	39,416
OPEB liability	<u>48,735,000</u>	<u>28,015,000</u>	<u>-</u>	<u>76,750,000</u>	<u>-</u>
Total governmental activities	<u>362,693,887</u>	<u>135,686,118</u>	<u>86,827,352</u>	<u>411,552,653</u>	<u>13,559,412</u>
Business-type Activities					
Obligations under capital leases	852,545	-	156,838	695,707	163,394
Compensated absences	<u>387,759</u>	<u>463,474</u>	<u>439,318</u>	<u>411,915</u>	<u>88,799</u>
Total business-type activities	<u>1,240,304</u>	<u>463,474</u>	<u>596,156</u>	<u>1,107,622</u>	<u>252,193</u>
Total primary government	<u>\$ 363,934,191</u>	<u>\$ 136,149,592</u>	<u>\$ 87,423,508</u>	<u>\$ 412,660,275</u>	<u>\$ 13,811,605</u>

Repayment of principal and interest maturities is made from sales taxes. Also, for governmental activities, compensated absences are generally liquidated by the general fund.

Under State law, the City's legal debt may not exceed 20% of the total assessed value of real and personal property within the City. At September 30, 2010, the permissible debt limit exceeded actual debt by approximately \$212.7 million.

The City, on behalf of the Mobile Housing Board, has obtained a total of three loans from a bank guaranteed by the Secretary for Housing and Urban Development (HUD) under section 108 of the Housing and Community Development Act of 1974. Proceeds of the loans were passed through the City to the Mobile Housing Board for the construction of three buildings located in downtown Mobile. Although the City remains contingently liable, the loans have been recorded as obligations of the Mobile Housing Board, a separate reporting entity, because of its agreement to service the debt until retirement with proceeds from a HUD community development block grant. The balances of the loans outstanding at September 30, 2010 totaled \$3,885,000.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 9 - DEFEASANCE OF PRIOR DEBT

The City has defeased certain outstanding general obligation bonds and warrants and other debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in the City's financial statements. At September 30, 2010, the following outstanding debt is considered defeased:

2002 General Obligation Refunding Warrants \$48,150,000.

NOTE 10 - CURRENT BOND REFUNDING

On December 9, 2009 the City issued \$56,380,000 General Obligation Refunding Warrants Series 2009A with interest ranging between 3.0% and 6.0%. The Series 2009A Warrants were issued for the purpose of refunding the City's General Obligation Refunding Warrants, Series 2002. Simultaneously with the sale and issuance of the Series 2009A Warrants, the City will enter into a trust agreement requiring the City to deposit with a bank as trustee (Escrow Trustee) certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2009A Warrants. Substantially all of such monies are required to be invested by the Escrow Trustee in United States Treasury obligations. On August 15, 2011, the 2002 series warrants will be called at a redemption price of 102% of the principal amount to be redeemed plus accrued interest to the date of redemption.

The refunding increased total debt service payments over the next eighteen years by \$26,976,681 and resulted in an economic loss of \$3,828,850.

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS

The City contributes to three retirement plans covering substantially all of its employees. Contributions by the City to the three plans during the year are summarized as follows:

Employees' Retirement System of Alabama (ERSA)	\$ 4,242,374
Police and Firefighters Retirement Plan (PFFRP)	12,957,128
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>20,141</u>
Total	<u>\$ 17,219,643</u>

Employees' Retirement System of Alabama - All of the City's employees, other than police and fire employees, participate in ERSA, an agent multiple-employer, defined benefit pension plan. ERSA provides retirement and other benefits for state employees, state police, and, on an elective basis, to employees of all cities, counties, towns and quasi-public organizations.

The ERSA issues a stand-alone financial report which may be obtained by contacting The Retirement Systems of Alabama at 135 South Union Street, Montgomery, AL 36130-2150.

**CITY OF MOBILE, ALABAMA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The plan provides retirement benefits as well as death and disability benefits. Members vest after 10 years of service. Employees attaining the earlier of age 60 or completing 25 or more creditable years of service are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by three methods with the members receiving payments under the method which yields the highest monthly benefit: (1) minimum guaranteed, (2) money purchase, or (3) formula. Under the formula method, members are allowed 2.0125% of their final average salary (best 3 of the last 10 years) for each year of service. The plan permits early retirement at the age of 60 and completion of 10 years of creditable service. Active employees who become disabled receive disability benefits which are calculated in the same manner as those used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability. If an active employee dies, his/her designated beneficiary receives payments, not to exceed the balance of his/her vested contributions plus the member's annual earnings from the previous fiscal year at date of death. The beneficiary has the option of receiving an initial lump sum or to receive monthly payments until the designated amount is paid in full.

If a member's employment is terminated before the member is eligible for any other benefits under the Employees' Retirement System of Alabama, the member shall receive a refund of his/her member contribution plus interest credited at 4% per year compounded annually, based upon the following years of service:

<u>Service</u>	<u>Interest credit</u>
Less than 3 years	None
3 - 15 years	50% of interest earned
16 - 20 years	60% of interest earned
21 - 25 years	70 % of interest earned

Employees participating in the plan are required to contribute 5% of their earnings to the plan. Employer contributions during fiscal 2010 were based on 9.72% of salaries. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the "entry age normal" method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Total contributions to the pension plan in fiscal 2010 amounted to \$6,632,104 of which \$4,242,374 and \$2,389,730 were made by the City of Mobile and its employees respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 2009.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The authority to establish or amend the Plan's funding policy is granted under Provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for state employees, state police, and, on an elective basis, all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of the employee retirement system is vested in the Board of Control. Benefit provisions are established by the Code of Alabama 1975, Sections 36-27-1 through 36-27-103, as amended, sections 36-27-120 through 36-27-139, as amended, and sections 36-27B-1 through 36-27B-6.

The annual pension cost and total contributions made for Plan years 2009/10 and 2008/09 were as follows:

	<u>Plan Year 2009/10</u>	<u>Plan Year 2008/09</u>
Annual pension cost	<u>\$ 4,428,407</u>	<u>\$ 3,293,726</u>
Contributions made	<u>\$ 4,428,407</u>	<u>\$ 3,293,726</u>

Significant actuarial assumptions used in determining the annual required contribution at September 30, 2009 include: (a) rate of return on investment of present and future assets of 8 percent per year compounded annually and (b) projected salary increases depending on age of employee ranging from 4.61 percent to 7.75 percent per year. Of the salary increases assumption, approximately 4.5 percent of the salary increases is attributable to inflation while the remainder is attributable to merit or seniority. The actuarial value of assets was determined using a five year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2009 was 25 years.

Trend information for the Plan:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Septmeber 30, 2007	\$ 2,773,256	100%	-
September 30, 2008	\$ 3,293,726	100%	-
September 30, 2009	\$ 4,428,407	100%	-

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The schedule of funding progress is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age ¹	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a % of Covered Payroll (c)/(e)
9/30/2004 ²	\$ 118,004,522	\$ 123,347,798	\$ 5,343,276	95.7 %	\$36,896,041	14.5 %
9/30/2005	\$ 122,477,322	\$ 138,627,267	\$ 16,149,945	88.4 %	\$41,064,856	39.3 %
9/30/2006 ³	\$ 127,390,730	\$ 148,706,041	\$ 21,315,311	85.7 %	\$41,421,892	51.5 %
9/30/2007	\$ 134,013,310	\$ 155,672,218	\$ 21,658,908	86.1 %	\$42,240,873	51.3 %
9/30/2008	\$ 135,296,628	\$ 163,728,994	\$ 28,432,366	82.6 %	\$44,651,914	63.7 %
9/30/2009	\$ 135,094,753	\$ 172,880,100	\$ 37,785,347	78.1 %	\$50,662,843	74.6 %

¹Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

²Reflects effect of DROP if unit elected to enroll prior to August 4, 2005.

³Reflects changes in actuarial assumptions.

*Market Value of Assets as of September 30, 2009: \$103,221,515

Police and Firefighters Retirement Plan - Every member of the police and fire departments of the City, except for civilian employees hired on or after April 15, 1985, certain civilian employees hired before April 15, 1985, and certain policemen and firemen who elected not to participate during a temporary period of discretionary participation, participates in the PFFRP, a single employer, defined-benefit pension plan. The PFFRP was established by an Act of the Alabama State Legislature. The Act requires that employees contribute 8% of their earnings to the fund, and the City contributes an actuarially determined amount. Also contributed by the City are 5% of certain Municipal Court fines and 2% of the gross fire insurance premiums collected on policies which cover property within the City of Mobile limits and its police jurisdiction. The City reimburses the PFFRP for the liability for the pre-retirement lump sum death benefit equal to a match of the employee contributions up to \$5,000.

The PFFRP issues a stand-alone financial report which may be obtained by contacting the Mobile Police and Firefighters' Retirement Plan Board at Post Office Box 1827, Mobile, AL 36633-1827.

Participants in the PFFRP are entitled to certain benefits depending upon whether sufficient assets are in the fund to cover the benefits.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Participating members hired prior to March 28, 1990, attaining the earlier of age 50 and completing 20 or more years of service with the last ten years being consecutive are entitled to a monthly benefit of 2.5% of the member's final three years' average salary, not to exceed 75% of final average salary. Participating members hired on or after March 28, 1990, attaining the earlier of age 55 and completing 20 or more years of service with the last ten years being consecutive are entitled to a monthly benefit of 2.5% of the member's final five years' average salary plus 2.25% of final average salary for each year of service in excess of 20 years, not to exceed 72.5% of final average salary. A member actively employed who is eligible for retirement may elect to remain employed by the City as an Eligible Employee and participate in the Deferred Retirement Option Plan for a period not to exceed 36 months, deferring receipt of retirement benefit until employment with the City is terminated. If a participating member of the police or fire department who has at least 15 years of service becomes permanently physically or mentally disabled other than while performing his/her duties as a uniformed officer, he/she shall be entitled to a disability pension equal to 2.5% of his/her final salary multiplied by his/her years of service, but not more than 60% of his/her final salary. If any participant becomes permanently physically or mentally disabled in the line of duty, he/she shall receive a monthly benefit equal to 45% of his/her final salary. If a member disabled in the line of duty can prove to the Board's satisfaction that he/she is totally disabled, he/she will be entitled to 60% of his /her final salary.

If a member terminates his/her employment for reasons other than disability or death after completing more than 15 years of service but less than 20 years, the last 10 years being consecutive, he/she is entitled to receive a maximum monthly benefit equal to 2.5% of his/her final three years' average salary multiplied by his/her years' service beginning the later of his/her termination or his/her 65th birthday. If a member with less than 15 years terminates his/her employment for reasons other than disability or death, he/she shall receive a refund of his/her contributions to the Plan.

If a member eligible for retirement dies prior to his/her annuity starting date, his/her eligible family members shall receive a benefit equal to the greater of the 50% survivor's benefit, or a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000. If a member eligible for retirement dies prior to his/her annuity starting date who is not survived by an eligible family member, or if a member not eligible for retirement dies, the beneficiary shall receive a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000.

The PFFRP Board has the authority to establish and/or amend the obligations to contribute to the Plan of the Plan members and/or the Plan's sponsor with approval by a majority vote of the city council or like governing body of the City.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The minimum required contribution as determined by the Act is the sum of the following amounts:

- (a) the normal cost for the plan year (determined using the projected unit credit actuarial cost method);
- (b) the increasing 30-year amortization payment required to amortize the initial unfunded actuarial accrued liability determined as of October 1, 1996, which amortization payment is scheduled to increase at the rate of 4% per annum;
- (c) the level-dollar 30-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to plan changes;
- (d) the level-dollar 10-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to assumption and method changes; and
- (e) the level-dollar five-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to experience.

The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability. The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover minimum pension liabilities are:

Estimated contributions by source:

Employees	7.60 %	\$ 3,011,205
Fire insurance premiums	3.00 %	1,188,651
Municipal Court fines	0.35 %	138,676
City of Mobile	<u>34.66 %</u>	<u>13,733,446</u>
	<u>45.61 %</u>	<u>\$ 18,071,978</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The actuarial required contribution for 2009/2010 and 2008/2009 plan years were determined as part of the October 1 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increase of 4% per year. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of assets was determined using market value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2009 was 30 years.

Trend information for the Annual Pension Cost of the Plan for the current and five previous years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>% Contrib./APC</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
September 30, 2004	\$ 6,115,088	206 %	\$ 5,327,591	236 %
September 30, 2005	\$ 6,169,345	262 %	\$ 5,107,537	317 %
September 30, 2006	\$ 5,178,167	309 %	\$ 3,698,103	433 %
September 30, 2007	\$ 4,754,860	296 %	\$ 2,810,659	500 %
September 30, 2008	\$ 8,321,440	148 %	\$ 6,443,263	192 %
September 30, 2009	\$ 9,904,212	166 %	\$ 8,307,711	198 %

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
10/1/2004	\$ 61,705,780	\$ 190,094,181	\$ 128,388,401	32.46 %	\$30,974,684	414.49 %
10/1/2005	\$ 83,819,260	\$ 197,225,687	\$ 113,406,427	42.50 %	\$32,055,235	353.78 %
10/1/2006	\$ 92,405,268	\$ 205,362,700	\$ 112,957,432	45.00 %	\$33,158,518	340.66 %
10/1/2007	\$105,396,066	\$ 222,111,577	\$ 116,715,511	47.45 %	\$36,488,843	319.87 %
10/1/2008	\$ 89,418,544	\$ 225,276,657	\$ 135,858,113	39.69 %	\$39,153,543	346.99 %
10/1/2009	\$ 98,525,321	\$ 225,176,329	\$ 126,651,008	43.75 %	\$37,828,223	334.81 %

Additional Information:

Valuation Date: October 1, 2009

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Level dollar, closed

Remaining Amortization Period: 30 years

Asset Valuation Method: Five-year smoothed market value

Discount Rate: 8.00%

Salary Increase Rate: 4.00%

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

General Municipal Employee Pension Trust Fund - In 1968, a significant curtailment with respect to participation in the GMEPTF occurred, the effect of which rendered the plan virtually inactive. Participation in the pension fund by City employees hired after 1968 was ended. Eligible employees in 1968 were able to elect participation in the Employees' Retirement System of Alabama plus some combination of benefits under the GMEPTF.

The pension fund was insolvent at the date of the change in the plan. The City plans to fund benefits under the GMEPTF as they become due.

At September 30, 2010, the Fund had no assets; accordingly, the City will pay benefits as needed from the General Fund. Annually, the City reviews the plan for significant changes in actuarial assumptions. As a result of such a review as of September 30, 2010, the City has determined that an actuarial update is not required due to the discontinuance of participation in the plan, stable actuarial assumptions, the annual diminishment of the estimated pension liability resulting from benefit payments and the relative insignificance of the plan to the financial position and results of operation of the City. Benefits paid by the City under the GMEPTF during the year ended September 30, 2010 were \$20,141.

Transit Workers Pension Plan (TWPP) - On June 30, 2003, the City entered into an agreement and declaration of trust (the trust agreement) with Transit Management of Mobile, Inc. (the contracted Operator), to be retroactively effective to July 1, 2002 which contractually obligated the City (as plan sponsor) to reimburse the contracted Operator for the payment of any pension plan or other employee benefits. The trust agreement establishes the TWPP, a single-employer defined benefit pension plan, for the purpose of providing pension benefits to participants, retired participants and beneficiaries that are equivalent to those benefits that were previously offered under the ERSA. The TWPP covers employees of the contracted Operator (former employees of the City) and was established under the Urban Mass Transportation Act which requires provisions for the preservation of rights, privileges and benefits, including the continuation of pension rights and benefits. All full-time employees of the contracted Operator, other than the general manager, are eligible to participate in the plan. The plan year begins July 1, and ends June 30.

The TWPP issues a stand-alone financial report which may be obtained by contacting the Board of Trustees of the TWPP at 1224 West I-65 Service Road South, Mobile, AL 36609.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The plan provides retirement benefits as well as death and disability benefits. Members vest after 5 years of service. Employees attaining the earlier of age 60 or completing 25 or more creditable years of service are entitled to an annual retirement benefit, payable monthly for life. Participants receive credited service for all periods of full-time covered employment as well as for the period during which the participant was a member of the ERSA, including periods of purchased creditable service under the ERSA, as well as for the period beginning with the date the participant was no longer an active member of ERSA and ending on June 30, 2002. Members receive payments based on 2.0125% of average monthly compensation (best 3 of the last 10 years) multiplied by credited service, offset by the monthly accrued benefit payable from the ERSA and attributable to service recognized as credited service under this plan. The plan permits early retirement at the age of 60 upon completion of 5 years of creditable service. Active employees who become disabled receive disability benefits which are calculated in the same manner as that used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability. If an active employee dies, his/her designated beneficiary receives payments, not to exceed the balance of his/her vested contributions plus the member's annual earnings from the previous fiscal year at date of death. The beneficiary has the option of receiving an initial lump sum or to receive monthly payments until the designated amount is paid in full.

If a member's employment is terminated before the member is eligible for any other benefits under the plan, the member shall receive a single lump sum payment equal to accumulated contributions plus interest credited at 4% per year compounded annually (for participants who have earned less than five years of credited service), or a monthly accrued benefit payable at normal retirement age calculated in the same manner as that used for service retirement benefits (for participants who have earned at least five years of credited service).

Employees participating in the plan are required to contribute 5% of their earnings to the plan, and the City contributes an actuarially determined amount. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the unit credit cost method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of July 1, 2009. The actuarial assumptions included (a) 6.32% investment rate of return and (b) projected salary increase of 4% per year. Both (a) and (b) included an inflation component of 3%. The actuarial value of assets was determined using market value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2009 was 7 years.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Trend information for the Annual Required Contribution of the Plan for the current and three previous years are as follows:

<u>Plan Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2006	\$ 517,078	100 %	-
June 30, 2007	\$ 422,965	100 %	-
June 30, 2008	\$ 541,179	100 %	-
June 30, 2009	\$ 745,342	100 %	-
June 30, 2010	\$ 695,577	100 %	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
7/1/2004	\$ 1,486,579	\$ 3,183,378	\$ 1,696,799	46.7 %	\$ 2,321,101	73.1 %
7/1/2005	\$ 1,640,163	\$ 3,716,181	\$ 2,076,018	44.1 %	\$ 2,766,040	75.1 %
7/1/2006	\$ 2,051,366	\$ 3,747,562	\$ 1,696,196	54.7 %	\$ 2,733,052	62.1 %
7/1/2007	\$ 2,645,002	\$ 4,537,095	\$ 1,892,093	58.3 %	\$ 3,280,678	57.7 %
7/1/2008	\$ 2,793,191	\$ 5,037,031	\$ 2,243,840	55.5 %	\$ 3,468,543	64.7 %
7/1/2009	\$ 3,231,272	\$ 5,465,587	\$ 2,234,315	59.1 %	\$ 3,452,194	64.7 %

Other Post-Employment Benefits (OPEBs)

The City provides post-employment health care coverage, including dental benefits, and life insurance, as allowed by Alabama state laws, to eligible individuals on a pay-as-you-go basis. With respect to retirees, life insurance is equal to \$6,000 for former employees and \$2,000 for each covered dependent and is a fully-insured benefit provided by an insurance company selected periodically by the City. With respect to disabled employees for the first 12 months of disability prior to age 65, life insurance is equal to the lesser of two times annual salary or \$75,000 plus an accidental death and dismemberment benefit of the same amount. The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2010, those costs totaled approximately \$5,019,251 and the liability for incurred and not paid claims totaled \$2,399,700.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Eligible Individuals:

Eligible individuals include all regular, full-time employees of the City and their spouses and dependent children who are covered on the date of the employee's retirement, disability, or death, as applicable. General employees must be age 60 with at least 10 years of service with the City out of the last 12 years of employment or any age with at least 25 years of service, of which at least the last 10 years were in active employment with the City and at least 20 years were under the Mobile County Merit System. Alternatively, general employees with at least 10 years of service who become eligible for a disability pension under the Retirement System of Alabama (RSA) will also be eligible for coverage. Police and fire employees must be age 50 (if hired prior to March 28, 1990) or age 55 (otherwise) with at least 20 years of service or must become eligible for a disability pension from the police and firefighter retirement plan sponsored by the City. Alternatively, police and fire employees who terminate their employment prior to retirement, but who have earned at least 20 years of service, will also be eligible for coverage, provided that they pay the COBRA premium during the deferral period prior to their retirement. All other employees who terminate their employment are eligible for COBRA coverage. Spouses of deceased employees or retirees are also eligible for COBRA coverage prior to age 65.

Required Monthly Premium for Post-Employment Benefit Coverage:

Retirees must pay the required monthly premium for either single or family coverage, as applicable. During fiscal year 2010, retirees have been assumed to make monthly contributions equal to \$54 for single coverage and \$140 for family coverage. COBRA contributions for the same period have been assumed to be \$275 per month for single coverage and \$714 per month for family coverage. Dependents of deceased retirees may pay the monthly retiree rate for up to 12 months after the retiree's death, but must pay the monthly COBRA premium thereafter. Dependents of employees who either have earned at least 10 years of service or die in the line of duty are eligible to pay the same premium. All other terminated employees and dependents must pay the COBRA premium for continued coverage.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation:

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of time. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

	As of September 30, 2010
Annual OPEB Cost	\$ 34,298,000
Employer Contributions	(6,161,000)
Interest on Employer Contributions	(122,000)
Increase in the Net OPEB Obligation	28,015,000
Net OPEB Obligation, beginning of year	48,735,000
Net OPEB Obligation, end of year	\$ 76,750,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2008	\$ 26,672,000	22%	\$ 26,672,000	22%
September 30, 2009	\$ 35,056,000	18%	\$ 34,082,000	18%
September 30, 2010	\$ 36,564,000	17%	\$ 34,298,000	18%

Funding Status and Funding Progress

As of September 30, 2009, the actuarial accrued liability for benefits was \$254,637,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$93,574,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 272.1 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Net OPEB Obligation (3)/(4)
October 1, 2007	\$ -	\$ 196,597,000	\$ 196,597,000	0%	\$71,720,000	274.1%
October 1, 2009	\$ -	\$ 254,637,000	\$ 254,637,000	0%	\$93,574,000	272.1%

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The City used the projected unit credit cost method to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Valuation date	October 1, 2009
Actuarial cost method	Projected unit credit
Amortization method	15 year open period; level-dollar payment
Investment return	4.0% per annum (includes inflation at 2.5% per annum)

Healthcare cost trend rate(s):	Medical	Dental
Select rates	10% for 2009/2010 graded to 6% for 2017/2018	Not applicable
Ultimate rate	5.0% per annum	3.0% per annum

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Deferred Compensation Plans - The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. One of the plans is administered by a nongovernmental third party and the other by the Retirement Systems of Alabama. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the City's general creditors.

NOTE 12 - RESTRICTED NET ASSETS

The following is a summary of the restricted net assets at September 30, 2010:

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Projects	Enabling Legislation	\$ 2,083,326
Capital Projects	Legal Restriction	3,086,689
Debt Service	Legal Restriction	3,494,130
Economic Development	Enabling Legislation	4,379,895
Grant Programs	Grant Agreements	2,472,910
		<u>\$ 15,516,950</u>

NOTE 13 - RENTAL INCOME

The City is lessor of a parking garage under a lease agreement effective August 17, 2004 for an initial term of 49 years. The lessee may, at its option, extend the initial term of the lease for two additional periods. The first extension shall be for a term of 15 years on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the initial term. The second extension shall be for a term of 12 years and 2 days, terminating on August 19, 2080 on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the first extension term.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 13 - RENTAL INCOME (continued)

The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$408,137 for fiscal year 2010 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 8 for additional information relating to leased property.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (The County) to lease space in a joint governmental complex. Lease payments for the City were \$1,323,502 for the year ended September 30, 2010.

The above referenced lease agreement is renewable annually and calls for the City to pay a minimum \$935,000 in lease payments for each full renewed lease year. The annual rent is adjusted once every two lease years by a factor based on the fee received by the City from the County for the City's collection of the County's sales tax.

University of South Alabama Cancer Center

The City entered into a performance agreement with the University of South Alabama dated December 7, 2004 to pay to the University a sum sufficient to pay debt service on \$6 million (plus interest at 5% per annum) of the total construction and start-up costs of the Cancer Center. The funds will be paid over a ten year period commencing August 1, 2005. In order to provide for a method of paying the sums agreed, the City adopted Ordinance No. 34-055 effective December 7, 2004 to amend the tax rate imposed on hotels, motels, tourist courts, tourist cabins, lodging houses and rooming houses (the Lodging Tax) within the City, in addition to all license taxes already imposed upon them, a license tax equal to 8% of gross receipts and that in the Police Jurisdiction to an additional 3% of gross receipts. The City has specially and irrevocably pledged this increase for the payment of the principal and interest to the University.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Future payments under this agreement are due as follows:

Fiscal Year Ending September 30	Amount Representing Principal	Amount Representing Interest	Total Future Commitments
2011	\$ 600,000	\$ 163,671	\$ 763,671
2012	600,000	163,671	763,671
2013	600,000	163,671	763,671
2014	600,000	163,671	763,671
Totals	<u>\$ 2,400,000</u>	<u>\$ 654,684</u>	<u>\$ 3,054,684</u>

Self-Insured Liability - Legal

The City of Mobile is a defendant in various suits and has been notified of claims against it, said suits and claims arising from alleged defects in sidewalks, streets, public drainage facilities and other public ways, or arising from alleged negligent operation of motor vehicles and other alleged tortuous misconduct on the part of City employees. The City attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible" and "remote" contingencies. According to the City attorney, loss contingencies categorized as "probable" range between \$420,000 and \$632,341. Consequently, the City has accrued at September 30, 2010, the lesser of the range equal to \$420,000. Loss contingencies categorized as "reasonably possible" range between \$398,504 and \$786,000.

NOTE 15 - RISK MANAGEMENT

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 claim liabilities are reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City is self-insured for claims and judgments, general liability, and general automobile liability. As more fully discussed in Note 13, the City has determined and recorded an estimate of \$420,000 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 15 - RISK MANAGEMENT (continued)

The City is also self-insured for workers' compensation claims up to \$500,000 per accident and for employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside parties for claims administration. The estimated liability for workers' compensation claims as of September 30, 2010 is \$6,963,334.

The liability for employee health insurance claims includes an estimated amount for claims that have been incurred but have not been reported. The present value of the estimated liability for employee health claims as of September 30, 2010 is \$2,072,326.

The schedule below presents the changes in claims liabilities for the past two years for the City's self-insured liabilities:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
Claims and judgments, general liability and general and automotive liability				
2008-2009	\$ 415,874	\$ 969,480	\$ 965,354	\$ 420,000
2009-2010	\$ 420,000	\$ 1,170,845	\$ 1,170,845	\$ 420,000
Employee Health				
2008-2009	\$ 1,704,746	\$24,134,330	\$ 23,724,248	\$ 2,114,828
2009-2010	\$ 2,114,828	\$22,926,271	\$ 22,968,773	\$ 2,072,326
Workers' Compensation				
2008-2009	\$ 7,148,114	\$ 2,136,094	\$ 1,986,096	\$ 7,298,112
2009-2010	\$ 7,298,112	\$ 2,146,887	\$ 2,481,665	\$ 6,963,334

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 16 - FUNDS DEFICITS OF NON-MAJOR FUNDS

Deficits in net assets/fund balance of non-major funds at September 30, 2010, are as follows:

Non-major Enterprise Fund		
Firemedics	\$	149,068
Internal Service Fund		
Employee Health Fund	\$	5,467,086

NOTE 17 - MUNICIPAL SOLID WASTE LANDFILLS

The City has in operation two solid waste landfills. The responsibility for annual operation and future closure and postclosure care costs of one of the landfills has been transferred to another entity. At September 30, 2010, the City believes that this entity is financially capable of meeting the closure and postclosure care obligations when they are due. Accordingly, a liability for such future costs has not been established.

The City owns a second landfill site which has reached full capacity. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The \$933,117 reported in the Statement of Net Assets as a landfill postclosure liability at September 30, 2010 represents the estimated current cost of all postclosure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

NOTE 18 - IRREVOCABLE LETTER OF CREDIT

The City entered into an Irrevocable Letter of Credit on May 14, 2002 with their 2002 Limited Obligation Tax Increment Warrants' Paying Agent in the amount of \$11,148,326 for the benefit of the holders of the \$10,655,000 City of Mobile, Alabama Limited Obligation Tax Increment Warrants, Series 2002 (Warrants) issued by the City pursuant to an Ordinance duly adopted by the City on May 7, 2002. The Letter of Credit can only be used by the City to make a drawing to pay the amount of principal and/or interest due on the Warrants or redemption premium of the Warrants. The Letter of Credit was renewed on May 15, 2010 with the terms and conditions requiring an annual renewal of the agreement.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 19 - SUBSEQUENT EVENTS

On October 1, 2010, the City of Mobile agreed to take over the administration of approximately \$5 million in federal entitlement funds that had been previously administered for the City by the Mobile Housing Board. This action was the result of an audit finding by the U. S. Department of Housing and Urban Development which determined that the Housing Board improperly spent \$340,000 of HOME Grant funds and that the City of Mobile did not adequately monitor how the money was being used. The City has secured the help of a consultant to assist with the transition. The entitlement grants include CDBG, CDBG-R, HOME, ESG, and HPRP grants.

The Public Park and Recreation Board operates Ladd-Peebles Stadium which is owned by the City of Mobile and is included as a component unit of the City in these financial statements. Board members are appointed by the City Council. This board commissioned an independent study which questioned management practices at the stadium, including overtime payments to the stadium manager and assistant which were made without Board approval. As a result of this report and the City's own internal audit, the City of Mobile took over the day to day management of the stadium on October 20, 2010.

On January 19, 2011, a lease purchase agreement was entered into for \$3,222,888 for the purchase of fifty police vehicles, four garbage trucks, 2 street sweepers and other public service equipment. The annual interest rate applicable to this equipment shall be 2.695%. The term of the lease shall be 7 years.

On March 10, 2011, Carnival Cruise Lines announced it will be discontinuing cruise operations from Mobile effective October 22, 2011. Carnival began service from Mobile in 2004 with the 1,452-passenger Holiday. In November 2009, Carnival replaced the Holiday with the larger Fantasy, which has a listed capacity of 2,052 passengers. In May 2010, the company replaced the Fantasy with the Elation which has the same capacity. The Alabama Cruise Terminal and the City of Mobile are currently exploring options for continued use of this facility.

RSI - GENERAL FUND

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN THE MD&A**

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended SEPTEMBER 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 149,583,667	\$ 149,583,667	\$ 159,982,398	\$ 10,398,731
Licenses and permits	34,207,457	34,207,457	33,239,910	(967,547)
Intergovernmental	614,900	614,900	199,992	(414,908)
Charges for Services	8,365,528	8,365,528	8,184,608	(180,920)
Fines and forfeitures	4,206,000	4,206,000	4,682,420	476,420
State and federal assistance	-	-	16,162,989	16,162,989
Interest	797,869	797,869	248,306	(549,563)
Miscellaneous (other)	275,000	275,000	867,943	592,943
Total	<u>198,050,421</u>	<u>198,050,421</u>	<u>223,568,566</u>	<u>25,518,145</u>
Expenditures				
Departmental				
General government				
City Clerk	592,768	593,737	507,465	86,272
Mayor's office	789,500	791,363	712,427	78,936
Mayor's Office of Strategic Initiatives	31,270	31,270	27,188	4,082
City Council	587,002	588,637	449,929	138,708
CitiSmart	271,856	273,648	243,048	30,600
City Hall Overhead	4,133,020	4,133,701	4,275,545	(141,844)
Archives	342,854	343,746	285,711	58,035
Legal	1,468,126	1,469,545	1,302,284	167,261
Urban development	4,613,285	4,624,718	4,207,948	416,770
Administrative services	287,881	290,811	241,420	49,391
Human resources	430,710	442,887	376,432	66,455
Municipal info. system	3,329,837	3,446,522	3,060,475	386,047
Geographical info. system	758,479	762,080	721,029	41,051
Telecommunications	903,886	908,019	818,087	89,932
Total general government	<u>18,540,474</u>	<u>18,700,684</u>	<u>17,228,988</u>	<u>1,471,696</u>
Economic development				
Mobile film office	191,180	191,180	175,382	15,798
Historic development	378,535	390,016	333,018	56,998
Neighborhood and community services	627,384	633,143	436,022	197,121
Total economic development	<u>1,197,099</u>	<u>1,214,339</u>	<u>944,422</u>	<u>269,917</u>
Public safety				
Police	45,672,140	45,814,243	42,734,216	3,080,027
Fire	27,763,851	27,794,209	26,022,306	1,771,903
Municipal court	3,668,682	3,780,062	2,861,130	918,932
Mobile Metro Jail	7,700,000	7,700,000	7,225,516	474,484
Animal shelter	873,978	883,857	807,872	75,985
Total public safety	<u>85,678,651</u>	<u>85,972,371</u>	<u>79,651,040</u>	<u>6,321,331</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND
For the Year Ended SEPTEMBER 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Departmental (Cont'd)				
Public works				
Public service administration	\$ 242,536	\$ 242,576	\$ 236,828	\$ 5,748
Flood control	1,562,280	1,568,009	1,445,333	122,676
Administration	1,260,900	1,263,137	1,031,463	231,674
Concrete and sidewalk repair	1,374,691	1,398,056	1,364,790	33,266
Right-of-way maintenance	929,414	940,105	677,309	262,796
Asphalt street repair	1,307,124	1,323,615	824,602	499,013
Street sweeping	666,116	667,901	610,591	57,310
Dredge	903,290	910,438	734,296	176,142
Storm drain & heavy equipment	1,462,990	1,463,303	1,237,514	225,789
Landfill	2,515,000	2,524,770	2,526,273	(1,503)
Solid waste	3,634,827	3,638,278	3,395,615	242,663
Trash	3,454,002	3,460,193	3,188,534	271,659
Electrical	2,095,821	2,127,250	2,061,394	65,856
Engineering	1,723,298	1,725,720	1,567,198	158,522
Real estate office	230,241	230,818	226,334	4,484
Real estate management	170,619	170,619	168,468	2,151
Keep Mobile Beautiful	357,211	371,362	331,934	39,428
Municipal garage	9,494,707	9,758,289	8,111,100	1,647,189
Architectural engineering	1,387,736	1,406,299	1,295,396	110,903
Environmental services	669,838	672,561	494,145	178,416
Public buildings	2,276,903	2,288,495	2,109,491	179,004
Mechanical systems	1,801,802	1,814,305	1,699,748	114,557
Traffic engineering	1,484,029	1,557,057	1,278,240	278,817
Total public works	<u>41,005,375</u>	<u>41,523,156</u>	<u>36,616,596</u>	<u>4,906,560</u>
Culture and recreation				
Parks and recreation director	156,241	156,309	153,724	2,585
Community activities	130,411	133,028	142,851	(9,823)
Mobile Museum of Art	2,211,128	2,233,084	2,056,563	176,521
History Museum	1,481,220	1,494,615	1,219,178	275,437
Parks maintenance	4,595,244	4,572,893	3,776,747	796,146
Recreation - athletics	981,859	983,437	731,711	251,726
Recreation	3,755,241	3,765,318	3,317,844	447,474
Special activities	505,833	507,333	554,935	(47,602)
Parks and cemeteries	2,421,490	2,424,998	2,229,679	195,319
Mobile Regional Senior Community Center	538,458	547,656	489,409	58,247
Baseball stadium	6,000	6,000	-	6,000
Total culture and recreation	<u>16,783,125</u>	<u>16,824,671</u>	<u>14,672,641</u>	<u>2,152,030</u>
Finance				
Finance administration	311,123	311,146	363,451	(52,305)
Budget	268,071	268,073	221,702	46,371
Purchasing	455,485	456,178	376,812	79,366
Accounting	869,023	870,683	688,215	182,468
Inventory control	476,518	476,746	444,265	32,481
Treasury	369,111	370,061	322,479	47,582
Payroll	231,969	232,305	168,598	63,707
Police and fire pension	200,387	200,477	206,759	(6,282)
Revenue	2,347,934	2,370,315	2,022,991	347,324
Total finance	<u>5,529,621</u>	<u>5,555,984</u>	<u>4,815,272</u>	<u>740,712</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND

For the Year Ended SEPTEMBER 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ Negative (Negative)
	Original	Final		
Attrition savings	\$ (20,929,455)	\$ (20,929,455)	\$ -	\$ (20,929,455)
Reserve for retirement	1,500,000	1,500,000	1,236,196	263,804
Total departmental expenditures	<u>149,304,890</u>	<u>150,361,750</u>	<u>155,165,155</u>	<u>(4,803,405)</u>
Nondepartmental				
Mandated activities				
Personnel Board	1,240,000	1,240,000	1,206,525	33,475
Board of Health	600,000	600,000	600,000	-
Juvenile court and youth center	3,000,000	3,000,000	2,973,269	26,731
Total mandated activities	<u>4,840,000</u>	<u>4,840,000</u>	<u>4,779,794</u>	<u>60,206</u>
Joint activities				
Board of equalization	7,152	7,152	7,142	10
Emergency management	432,876	432,876	432,876	-
Mobile legislative delegation	43,308	43,308	42,898	410
Total joint activities	<u>483,336</u>	<u>483,336</u>	<u>482,916</u>	<u>420</u>
Agencies				
Public Library	6,748,576	6,748,576	6,570,841	177,735
Total agencies	<u>6,748,576</u>	<u>6,748,576</u>	<u>6,570,841</u>	<u>177,735</u>
Employee cost				
Retired employees insurance	4,527,600	4,527,600	4,404,172	123,428
Employee education	120,000	120,000	122,164	(2,164)
Workmen's compensation	2,446,000	2,446,681	2,825,628	(378,947)
Unemployment compensation	75,000	125,000	116,955	8,045
Employees' pension	99,672	99,672	111,650	(11,978)
Police and firefighter's retirement	8,502,366	8,502,366	9,610,024	(1,107,658)
Total employee cost	<u>15,770,638</u>	<u>15,821,319</u>	<u>17,190,593</u>	<u>(1,369,274)</u>
Other				
Fire insurance	2,311,540	2,311,540	1,369,382	942,158
Contractual	4,616,854	4,616,854	4,616,839	15
South Alabama Regional Planning	-	-	12,761	(12,761)
Dues	439,826	439,826	439,987	(161)
Athletic fund	154,000	154,000	62,249	91,751
Police drug fund	-	228,805	164,109	64,696
State and federal projects	-	138,489	17,453,744	(17,315,255)
General miscellaneous	105,000	107,058	572,224	(465,166)
Total other	<u>7,627,220</u>	<u>7,996,572</u>	<u>24,691,295</u>	<u>(16,694,723)</u>
Total nondepartmental expenditures	<u>35,469,770</u>	<u>35,889,803</u>	<u>53,715,439</u>	<u>(17,825,636)</u>
Total expenditures	<u>184,774,660</u>	<u>186,251,553</u>	<u>208,880,594</u>	<u>(22,629,041)</u>
Excess (deficiency) of revenues over expenditures	<u>13,275,761</u>	<u>11,798,868</u>	<u>14,687,972</u>	<u>2,889,104</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND
For the Year Ended SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 8,643,772	\$ 11,897,856	\$ 13,191,935	\$ 1,294,079
Transfers out	(17,090,223)	(17,172,473)	(18,280,325)	(1,107,852)
Insurance Recoveries	-	-	2,113	2,113
Sales of general capital assets	<u>2,400</u>	<u>2,400</u>	<u>3,331</u>	<u>931</u>
Total other financing sources (uses)	<u>(8,444,051)</u>	<u>(5,272,217)</u>	<u>(5,082,946)</u>	<u>189,271</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>4,831,710</u>	<u>6,526,651</u>	<u>9,605,026</u>	<u>\$ 3,078,375</u>
Fund balances				
Beginning of the year	<u>(17,204,207)</u>	<u>(36,552,911)</u>	<u>3,451,450</u>	
End of the year	<u>\$ (12,372,497)</u>	<u>\$ (30,026,260)</u>	<u>\$ 13,056,476</u>	
Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified accrual basis are as follows:				
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			\$ 9,605,026	
Encumbrances outstanding at September 30, 2010			823,219	
Encumbrances outstanding at September 30, 2009			<u>(1,034,392)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			<u>\$ 9,393,853</u>	

CITY OF MOBILE, ALABAMA

**NOTES TO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended SEPTEMBER 30, 2010

NOTE 1 - BUDGET RECONCILIATION

The reported budgetary data represents the final appropriated budget after amendments adopted by the City Council. An appropriated budget was legally adopted for the General Fund on the same modified-accrual basis used to present actual revenue and expenditures, except, for budgetary purposes, current year encumbrances are treated as expenditures. The following is a summary of the reconciliation of generally accepted accounting principles (GAAP) expenditures to budgetary expenditures for the fiscal year ended September 30, 2010:

GAAP expenditures	\$ 209,091,767
Encumbrances at:	
September 30, 2010	823,219
September 30, 2009	<u>(1,034,392)</u>
Budgetary expenditures	<u>\$ 208,880,594</u>

For the fiscal year ended September 30, 2010, general fund expenditures exceeded budgetary appropriations by \$22,629,041.

NOTE 2 - FUND BALANCE

Following is a reconciliation of the General Fund's fund balance - budgetary basis to fund balance - generally accepted accounting principles (GAAP) basis:

Fund balance - budgetary basis at September 30, 2010	\$ 13,056,476
Add encumbrances:	
Function	
General government	151,052
Economic development	4,631
Public safety	226,235
Public works	367,486
Culture and recreation	62,835
Finance	10,980
Other	-
Total encumbrances	<u>823,219</u>
Fund balance - GAAP basis at September 30, 2010	<u>\$ 13,879,695</u>

GOVERNMENTAL FUNDS - NON-MAJOR

Governmental funds are those through which most governmental functions of the City are financed.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - These funds are used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues.

Capital Projects Funds - These funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

COMBINING FINANCIAL STATEMENTS

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(BY FUND TYPE)
SEPTEMBER 30, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 6,281,817	\$ 3,479,407	\$ 22,937,523	\$ 32,698,747
Receivables, net	406,261	14,723	875,650	1,296,634
Total assets	\$ 6,688,078	\$ 3,494,130	\$ 23,813,173	\$ 33,995,381
LIABILITIES				
Accounts payable and accrued liabilities	\$ 207,714	\$ -	\$ 390,559	\$ 598,273
Due to other funds	-	-	500,000	500,000
Total liabilities	207,714	-	890,559	1,098,273
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	6,611	6,611
Economic development	4,379,895	-	-	4,379,895
Road and bridge repair	1,933,945	-	-	1,933,945
Road and bridge construction	166,524	-	-	166,524
Unreserved, reported in:				
Capital projects funds	-	-	22,916,003	22,916,003
Debt service funds	-	3,494,130	-	3,494,130
Total fund balances	6,480,364	3,494,130	22,922,614	32,897,108
Total liabilities and fund balances	\$ 6,688,078	\$ 3,494,130	\$ 23,813,173	\$ 33,995,381

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
(BY FUND TYPE)
For the Year Ended SEPTEMBER 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues				
Taxes	\$ 6,588,786	\$ -	\$ 10,063,043	\$ 16,651,829
Licenses and permits	-	-	2,647,852	2,647,852
State and federal assistance	-	-	1,305,967	1,305,967
Interest	2,624	4,356	28,370	35,350
Other revenue	12,806	-	900,000	912,806
Total revenues	<u>6,604,216</u>	<u>4,356</u>	<u>14,945,232</u>	<u>21,553,804</u>
Expenditures				
Current:				
Nondepartmental	2,442,272	-	763,739	3,206,011
Capital outlay	75,836	-	9,479,542	9,555,378
Debt Service:				
Principal payments	-	5,403,981	-	5,403,981
Interest and fees	1,615	13,243,338	93,787	13,338,740
Total expenditures	<u>2,519,723</u>	<u>18,647,319</u>	<u>10,337,068</u>	<u>31,504,110</u>
Excess (deficiency) of revenues over expenditures	<u>4,084,493</u>	<u>(18,642,963)</u>	<u>4,608,164</u>	<u>(9,950,306)</u>
Other financing sources (uses)				
Capital-related debt issued	-	-	64,810,000	64,810,000
Payment to refunding bond escrow agent	-	-	(58,207,259)	(58,207,259)
Premium (Discount) on bonds issued	-	-	2,287,511	2,287,511
Bond issuance costs	-	-	(518,187)	(518,187)
Transfers in	(18,500)	18,769,398	-	18,750,898
Transfers out	(1,462,121)	-	(9,583,063)	(11,045,184)
Total other financing sources (uses)	<u>(1,480,621)</u>	<u>18,769,398</u>	<u>(1,210,998)</u>	<u>16,077,779</u>
Net change in fund balance	2,603,872	126,435	3,397,166	6,127,473
Fund balances, beginning of the year	3,876,492	3,367,695	19,525,448	26,769,635
Fund balances, end of the year	<u>\$ 6,480,364</u>	<u>\$ 3,494,130</u>	<u>\$ 22,922,614</u>	<u>\$ 32,897,108</u>

NON-MAJOR SPECIAL REVENUE FUNDS

- Four-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of electricity for street lights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.
- Economic Development - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning from the Mobile Housing Board.
- Tax Increment - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2010**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
ASSETS				
Cash, equity in pooled cash and investments	\$ 1,792,704	\$ 105,435	\$ -	\$ 1,898,139
Receivables, net	124,097	61,089	213,810	398,996
Total assets	<u>\$ 1,916,801</u>	<u>\$ 166,524</u>	<u>\$ 213,810</u>	<u>\$ 2,297,135</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 203,931	\$ 203,931
Total liabilities	<u>-</u>	<u>-</u>	<u>203,931</u>	<u>203,931</u>
Fund Balances:				
Reserved for:				
Economic development	-	-	-	-
Road and bridge repair	1,916,801	-	9,879	1,926,680
Road and bridge construction	-	166,524	-	166,524
Total fund balances	<u>1,916,801</u>	<u>166,524</u>	<u>9,879</u>	<u>2,093,204</u>
Total liabilities and fund balances	<u>\$ 1,916,801</u>	<u>\$ 166,524</u>	<u>\$ 213,810</u>	<u>\$ 2,297,135</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ -	\$ 43,562	\$ 4,340,116	\$ 6,281,817
7,265	-	-	406,261
<u>\$ 7,265</u>	<u>\$ 43,562</u>	<u>\$ 4,340,116</u>	<u>\$ 6,688,078</u>
\$ -	\$ -	\$ 3,783	\$ 207,714
-	-	3,783	207,714
-	43,562	4,336,333	4,379,895
7,265	-	-	1,933,945
-	-	-	166,524
<u>7,265</u>	<u>43,562</u>	<u>4,336,333</u>	<u>6,480,364</u>
<u>\$ 7,265</u>	<u>\$ 43,562</u>	<u>\$ 4,340,116</u>	<u>\$ 6,688,078</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended SEPTEMBER 30, 2010

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
Revenues				
Taxes	\$ 1,347,492	\$ 663,358	\$ 2,322,614	\$ 4,333,464
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>1,347,492</u>	<u>663,358</u>	<u>2,322,614</u>	<u>4,333,464</u>
Expenditures				
Nondepartmental				
Economic development	-	-	-	-
Gas	-	-	54,581	54,581
Electricity	-	-	2,376,301	2,376,301
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,430,882</u>	<u>2,430,882</u>
Capital outlay				
Construction	34,505	-	-	34,505
Testing	4,430	-	-	4,430
Right-of-way and realty	685	-	-	685
Commodities	-	-	-	-
Total capital outlay	<u>39,620</u>	<u>-</u>	<u>-</u>	<u>39,620</u>
Total expenditures	<u>39,620</u>	<u>-</u>	<u>2,430,882</u>	<u>2,470,502</u>
Excess (deficiency) of revenues over expenditures	1,307,872	663,358	(108,268)	1,862,962
Other financing sources (uses)				
Transfers in	-	-	(18,500)	(18,500)
Transfers out	-	(600,000)	136,647	(463,353)
Interest and fees	-	-	-	-
Net change in fund balance	<u>1,307,872</u>	<u>63,358</u>	<u>9,879</u>	<u>1,381,109</u>
Fund balances, beginning of the year	<u>608,929</u>	<u>103,166</u>	<u>-</u>	<u>712,095</u>
Fund balances, end of the year	<u>\$ 1,916,801</u>	<u>\$ 166,524</u>	<u>\$ 9,879</u>	<u>\$ 2,093,204</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ 82,599	\$ -	\$ 2,172,723	\$ 6,588,786
-	19	2,605	2,624
-	12,806	-	12,806
<u>82,599</u>	<u>12,825</u>	<u>2,175,328</u>	<u>6,604,216</u>
-	-	11,390	11,390
-	-	-	54,581
-	-	-	2,376,301
<u>-</u>	<u>-</u>	<u>11,390</u>	<u>2,442,272</u>
-	-	27,555	62,060
-	-	-	4,430
-	-	-	685
-	-	8,661	8,661
<u>-</u>	<u>-</u>	<u>36,216</u>	<u>75,836</u>
<u>-</u>	<u>-</u>	<u>47,606</u>	<u>2,518,108</u>
82,599	12,825	2,127,722	4,086,108
-	-	-	(18,500)
(75,334)	-	(923,434)	(1,462,121)
-	-	(1,615)	(1,615)
<u>7,265</u>	<u>12,825</u>	<u>1,202,673</u>	<u>2,603,872</u>
-	30,737	3,133,660	3,876,492
<u>\$ 7,265</u>	<u>\$ 43,562</u>	<u>\$ 4,336,333</u>	<u>\$ 6,480,364</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
NON-MAJOR SPECIAL REVENUE FUNDS
Beginning of Project through SEPTEMBER 30, 2010

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project to September 30 2010</u>
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ 1,043,431	\$ 39,620	\$ 1,083,051
Total 4 cent gasoline tax fund	<u>1,043,431</u>	<u>39,620</u>	<u>1,083,051</u>
Tax Increment Fund			
Broad Street Pocket Park	330,085	-	330,085
TIF District - infrastructure project	-	49,221	49,221
Cruise Terminal	46,412	-	46,412
Total tax increment fund	<u>376,497</u>	<u>49,221</u>	<u>425,718</u>
Total special revenue funds projects	<u>\$ 1,419,928</u>	<u>\$ 88,841</u>	<u>\$ 1,508,769</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ -	\$ 1,083,051
-	-	-	1,083,051
-	330,085	-	330,085
-	-	49,221	-
-	-	-	46,412
-	330,085	49,221	376,497
\$ -	\$ 330,085	\$ 49,221	\$ 1,459,548

NON-MAJOR DEBT SERVICE FUNDS

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.
- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.
- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.
- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.
- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.
- 2008 General Obligation Capital Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2008 General Obligation Capital Improvement Warrants.
- 2008B & C General Obligation Refunding and Capital Warrants - This fund is used to service the remaining debt outstanding on the 2008B and 2008C General Obligation Refunding and Capital Warrants.
- Small Issue Warrants - This fund is used to service the remaining debt outstanding on the Small Issue Warrants.
- 2009 General Obligation Warrants - Copiers - This fund is used to service the remaining debt outstanding on the 2009 General Obligation Warrants - Copiers.
- 2002 & 2009A General Obligation Refunding Warrants - This fund is used to service the remaining debt outstanding on the 2002 & 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009B General Obligation BAB Capital Taxable Warrants.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009C General Obligation ARRA Capital Taxable Warrants.

**CITY OF MOBILE, ALABAMA
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2010**

	<u>2001</u> General Obligation Refunding and School Warrants	<u>Bank</u> Service Charges - Various Issues	<u>2002</u> Limited Obligation Tax Increment Warrants	<u>2006 General</u> Obligation Refunding and Improvement Warrants	<u>2006</u> General Obligation Private Placement Warrants
ASSETS					
Cash, equity in pooled cash and investments	\$ 164,898	\$ 135,799	\$ -	\$ 1,638,938	\$ 3,067
Receivables, net	-	-	-	-	-
Total assets	<u>\$ 164,898</u>	<u>\$ 135,799</u>	<u>\$ -</u>	<u>\$ 1,638,938</u>	<u>\$ 3,067</u>
FUND BALANCES					
Fund balances - unreserved					
Debt service funds	<u>\$ 164,898</u>	<u>\$ 135,799</u>	<u>\$ -</u>	<u>\$ 1,638,938</u>	<u>\$ 3,067</u>

<u>2008 General Obligation Cap Impv Warrants</u>	<u>2008B & C General Obligation Ref & Cap Warrants</u>	<u>Small Issue Warrants</u>	<u>2009 General Obligation Warrants - Copiers</u>	<u>2002 & 2009A General Obligation Refunding Warrants</u>	<u>2009B General Obligation BAB Cap Taxable Warrants</u>	<u>2009C General Obligation ARRA Cap Taxable Warrants</u>	<u>Total</u>
\$ 704	\$ 402,286	\$ -	\$ 2,190	\$ 767,078	\$ 244,091	\$ 120,356	\$ 3,479,407
-	-	14,723	-	-	-	-	14,723
<u>\$ 704</u>	<u>\$ 402,286</u>	<u>\$ 14,723</u>	<u>\$ 2,190</u>	<u>\$ 767,078</u>	<u>\$ 244,091</u>	<u>\$ 120,356</u>	<u>\$ 3,494,130</u>
<u>\$ 704</u>	<u>\$ 402,286</u>	<u>\$ 14,723</u>	<u>\$ 2,190</u>	<u>\$ 767,078</u>	<u>\$ 244,091</u>	<u>\$ 120,356</u>	<u>\$ 3,494,130</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
For the Year Ended SEPTEMBER 30, 2010

	2001 General Obligation Refunding and School Warrants	Bank Service Charges - Various Issues	2002 Limited Obligation Tax Increment Warrants	2006 General Obligation Refunding and Improvement Warrants	2006 General Obligation Private Placement Warrants	2008 General Obligation Cap Impv Warrants
Revenues						
Interest	\$ 235	\$ 174	\$ -	\$ 1,571	\$ 19	\$ 348
Total revenues	<u>235</u>	<u>174</u>	<u>-</u>	<u>1,571</u>	<u>19</u>	<u>348</u>
Expenditures						
Principal payments	2,055,000	-	455,000	2,285,000	290,000	-
Interest	626,930	-	468,184	2,723,275	101,588	2,492,901
Interest reimbursement	-	-	-	-	-	-
Bank fees	1,930	337	250	1,575	-	-
Total expenditures	<u>2,683,860</u>	<u>337</u>	<u>923,434</u>	<u>5,009,850</u>	<u>391,588</u>	<u>2,492,901</u>
Excess (deficiency) of revenues over expenditures	<u>(2,683,625)</u>	<u>(163)</u>	<u>(923,434)</u>	<u>(5,008,279)</u>	<u>(391,569)</u>	<u>(2,492,553)</u>
Other financing sources (uses)						
Transfers in	2,681,930	-	923,434	5,008,275	391,588	2,492,900
Total other financing sources (uses)	<u>2,681,930</u>	<u>-</u>	<u>923,434</u>	<u>5,008,275</u>	<u>391,588</u>	<u>2,492,900</u>
Net change in fund balances	(1,695)	(163)	-	(4)	19	347
Fund balances, beginning of year	166,593	135,962	-	1,638,942	3,048	357
Fund balances, end of year	<u>\$ 164,898</u>	<u>\$ 135,799</u>	<u>\$ -</u>	<u>\$ 1,638,938</u>	<u>\$ 3,067</u>	<u>\$ 704</u>

2008B & C General Obligation Ref & Cap Warrants	Small Issue Warrants	2009 General Obligation Warrants - Copiers	2002 & 2009A General Obligation Refunding Warrants	2009B General Obligation BAB Cap Taxable Warrants	2009C General Obligation ARRA Cap Taxable Warrants	Total
\$ 821	\$ -	\$ -	\$ 1,041	\$ 105	\$ 42	\$ 4,356
<u>821</u>	<u>-</u>	<u>-</u>	<u>1,041</u>	<u>105</u>	<u>42</u>	<u>4,356</u>
-	181,904	137,077	-	-	-	5,403,981
4,293,479	27,342	16,343	1,883,746	518,576	179,330	13,331,694
-	-	-	-	(65,460)	(32,279)	(97,739)
<u>3,150</u>	<u>-</u>	<u>-</u>	<u>2,140</u>	<u>1</u>	<u>-</u>	<u>9,383</u>
<u>4,296,629</u>	<u>209,246</u>	<u>153,420</u>	<u>1,885,886</u>	<u>453,117</u>	<u>147,051</u>	<u>18,647,319</u>
<u>(4,295,808)</u>	<u>(209,246)</u>	<u>(153,420)</u>	<u>(1,884,845)</u>	<u>(453,012)</u>	<u>(147,009)</u>	<u>(18,642,963)</u>
4,043,479	223,969	155,610	1,883,745	697,103	267,365	18,769,398
<u>4,043,479</u>	<u>223,969</u>	<u>155,610</u>	<u>1,883,745</u>	<u>697,103</u>	<u>267,365</u>	<u>18,769,398</u>
(252,329)	14,723	2,190	(1,100)	244,091	120,356	126,435
<u>654,615</u>	<u>-</u>	<u>-</u>	<u>768,178</u>	<u>-</u>	<u>-</u>	<u>3,367,695</u>
<u>\$ 402,286</u>	<u>\$ 14,723</u>	<u>\$ 2,190</u>	<u>\$ 767,078</u>	<u>\$ 244,091</u>	<u>\$ 120,356</u>	<u>\$ 3,494,130</u>

NON-MAJOR CAPITAL PROJECTS FUNDS

- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for provide several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area. This fund was financed by the 1995 General Obligation Capital Improvement Warrants.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center, and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 1998 General Obligation Private Placement Projects - This fund is to provide for the acquisition of a new financial system and work order system.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufacturers steel products by I.P.S.C.O.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 2002 Limited Obligation Tax Increment Capital Projects -This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 2008B General Obligation Capital Improvement Projects - This fund is used to provide for the certain capital improvement projects.
- 2008C General Obligation Capital Improvement Projects - This fund is used to pay the cost of certain improvements to the Alabama Cruise Terminal.
- 2009A General Obligation Refunding Warrants- This fund is used to refund the 2002 General Obligation Refunding Warrants.
- 2009C General Obligation ARRA Capital Taxable Warrants- This fund is used to provide for certain capital improvement projects.
- Small Issue General Obligation Warrants- This fund is used for the purchase of fire pumper trucks.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2010**

	Strategic Plan	1995 Capital Projects	1996 General Obligation Capital Projects	Municipal Government Capital Improvements	1998 General Obligation Capital Projects	1998 General Obligation Refunding and Capital Projects	1998 General Obligation Private Placement Projects	1999 General Obligation Private Placement - IPSCO
ASSETS								
Cash, equity in pooled cash and investments	\$ 5,188,768	\$ 54,323	\$ 399,504	\$ 2,980,400	\$ 2,036,500	\$ 1,373,734	\$ 79	\$ 13,512
Receivables, net	875,650	-	-	-	-	-	-	-
Total assets	<u>\$ 6,064,418</u>	<u>\$ 54,323</u>	<u>\$ 399,504</u>	<u>\$ 2,980,400</u>	<u>\$ 2,036,500</u>	<u>\$ 1,373,734</u>	<u>\$ 79</u>	<u>\$ 13,512</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 28,184	\$ 123,635	\$ 21,972	\$ 12,040	\$ -	\$ -
Retainage payable	-	-	1,606	6,488	8,489	21,467	-	-
Due to other funds	500,000	-	-	-	-	-	-	-
Total liabilities	<u>500,000</u>	<u>-</u>	<u>29,790</u>	<u>130,123</u>	<u>30,461</u>	<u>33,507</u>	<u>-</u>	<u>-</u>
Fund balances -								
Encumbrances	-	-	-	6,611	-	-	-	-
Unreserved	5,564,418	54,323	369,714	2,843,666	2,006,039	1,340,227	79	13,512
Total fund balances	<u>5,564,418</u>	<u>54,323</u>	<u>369,714</u>	<u>2,850,277</u>	<u>2,006,039</u>	<u>1,340,227</u>	<u>79</u>	<u>13,512</u>
Total liabilities and fund balances	<u>\$ 6,064,418</u>	<u>\$ 54,323</u>	<u>\$ 399,504</u>	<u>\$ 2,980,400</u>	<u>\$ 2,036,500</u>	<u>\$ 1,373,734</u>	<u>\$ 79</u>	<u>\$ 13,512</u>

<u>2000 Capital Projects</u>	<u>2002 Limited Obligation Tax Increment Capital Projects</u>	<u>Flood Management</u>	<u>2008B General Obligation Capital Improvement Projects</u>	<u>2008C General Obligation Capital Improvement Projects</u>	<u>2009A General Obligation Refunding Warrants</u>	<u>2009C General Obligation ARRA Cap Taxable Warrants</u>	<u>Small Issue General Obligation Warrants</u>	<u>Total</u>
\$ 833,218	\$ 152,693	\$ 83,718	\$ 1,447,899	\$ 2,497	\$ -	\$ 6,372,065	\$ 1,998,613	\$22,937,523
-	-	-	-	-	-	-	-	875,650
<u>\$ 833,218</u>	<u>\$ 152,693</u>	<u>\$ 83,718</u>	<u>\$ 1,447,899</u>	<u>\$ 2,497</u>	<u>\$ -</u>	<u>\$ 6,372,065</u>	<u>\$ 1,998,613</u>	<u>\$23,813,173</u>
\$ 4,059	\$ -	\$ -	\$ 94,073	\$ -	\$ -	\$ -	\$ 67	\$ 284,030
12,682	-	-	55,797	-	-	-	-	106,529
-	-	-	-	-	-	-	-	500,000
<u>16,741</u>	<u>-</u>	<u>-</u>	<u>149,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>890,559</u>
-	-	-	-	-	-	-	-	6,611
816,477	152,693	83,718	1,298,029	2,497	-	6,372,065	1,998,546	22,916,003
<u>816,477</u>	<u>152,693</u>	<u>83,718</u>	<u>1,298,029</u>	<u>2,497</u>	<u>-</u>	<u>6,372,065</u>	<u>1,998,546</u>	<u>22,922,614</u>
<u>\$ 833,218</u>	<u>\$ 152,693</u>	<u>\$ 83,718</u>	<u>\$ 1,447,899</u>	<u>\$ 2,497</u>	<u>\$ -</u>	<u>\$ 6,372,065</u>	<u>\$ 1,998,613</u>	<u>\$23,813,173</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Year Ended SEPTEMBER 30, 2010

	Strategic Plan	1995 Capital Projects	1996 General Obligation Capital Projects	Municipal Government Capital Improvements	1998 General Obligation Capital Projects	1998 General Obligation Refunding and Capital Projects	1998 General Obligation Private Placement Projects	1999 General Obligation Private Placement - IPSCO
Revenues								
Sales tax	\$ 3,734,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	2,032,079	-	-	-	-	-	-	-
Motor fuel - tax	2,283,628	-	-	-	-	-	-	-
Room - tax	2,013,302	-	-	-	-	-	-	-
Business license	2,647,852	-	-	-	-	-	-	-
State and federal assistance	-	-	-	1,305,967	-	-	-	-
Interest	9,344	-	270	2,154	9,025	3,292	64	446
Other revenue	900,000	-	-	-	-	-	-	-
Total revenues	13,620,239	-	270	1,308,121	9,025	3,292	64	446
Expenditures								
Current								
Nondepartmental	763,672	-	-	-	-	-	-	-
Interest and fees	-	-	-	91,787	-	-	-	-
Capital outlay								
Capitalized equipment	-	-	28,185	4,609	-	-	-	-
Right-of-way and realty	-	-	-	2,070	748	-	-	-
Testing	-	-	-	47,018	7,220	-	-	-
Engineering	-	-	-	118,791	8,477	90,000	-	-
Architectural	-	-	-	21,020	-	-	-	-
Commodities	42,660	-	335	76,540	-	23,433	-	-
Construction	-	-	1,589	935,509	256,432	236,982	-	-
Professional services	184,000	-	-	152,354	-	21,993	-	-
Other	1,981,612	-	-	-	-	-	-	70,396
Total capital outlay	2,208,272	-	30,109	1,357,911	272,877	372,408	-	70,396
Total expenditures	2,971,944	-	30,109	1,449,698	272,877	372,408	-	70,396
Excess (deficiency) of revenues over expenditures	10,648,295	-	(29,839)	(141,577)	(263,852)	(369,116)	64	(69,950)
Other financing uses								
Transfers out	(9,191,475)	-	-	(391,588)	-	-	-	-
Capital-related debt issued	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-
Premium (Discount) on bonds issued	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(9,191,475)	-	-	(391,588)	-	-	-	-
Net change in fund balance	1,456,820	-	(29,839)	(533,165)	(263,852)	(369,116)	64	(69,950)
Fund balances, beginning	4,107,598	54,323	399,553	3,383,442	2,269,891	1,709,343	15	83,462
Fund balances, ending	\$ 5,564,418	\$ 54,323	\$ 369,714	\$ 2,850,277	\$ 2,006,039	\$ 1,340,227	\$ 79	\$ 13,512

2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Manage- ment	2008B General Obligation Capital Improvement Projects	2008C General Obligation Capital Improvement Projects	2009A General Obligation Refunding Warrants	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,734,034
-	-	-	-	-	-	-	-	2,032,079
-	-	-	-	-	-	-	-	2,283,628
-	-	-	-	-	-	-	-	2,013,302
-	-	-	-	-	-	-	-	2,647,852
-	-	-	-	-	-	-	-	1,305,967
930	100	42	1,945	145	-	-	613	28,370
-	-	-	-	-	-	-	-	900,000
<u>930</u>	<u>100</u>	<u>42</u>	<u>1,945</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>613</u>	<u>14,945,232</u>
-	-	-	-	-	-	-	67	763,739
-	-	-	-	-	-	-	2,000	93,787
-	-	-	-	-	-	-	-	32,794
-	-	-	3,616	-	-	-	-	6,434
22,666	-	-	3,107	-	-	-	-	80,011
53,166	-	-	32,846	-	-	-	-	303,280
-	-	-	38,541	-	-	-	-	59,561
-	-	-	64,224	-	-	-	-	207,192
675,200	-	-	1,634,816	2,545,662	-	-	-	6,286,190
-	-	-	93,724	-	-	-	-	452,071
-	-	-	1	-	-	-	-	2,052,009
<u>751,032</u>	<u>-</u>	<u>-</u>	<u>1,870,875</u>	<u>2,545,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,479,542</u>
<u>751,032</u>	<u>-</u>	<u>-</u>	<u>1,870,875</u>	<u>2,545,662</u>	<u>-</u>	<u>-</u>	<u>2,067</u>	<u>10,337,068</u>
<u>(750,102)</u>	<u>100</u>	<u>42</u>	<u>(1,868,930)</u>	<u>(2,545,517)</u>	<u>-</u>	<u>-</u>	<u>(1,454)</u>	<u>4,608,164</u>
-	-	-	-	-	-	-	-	(9,583,063)
-	-	-	-	-	6,380,000	6,430,000	2,000,000	64,810,000
-	-	-	-	-	8,207,259)	-	-	(58,207,259)
-	-	-	-	-	2,287,511	-	-	2,287,511
-	-	-	-	-	(460,252)	(57,935)	-	(518,187)
-	-	-	-	-	-	6,372,065	2,000,000	(1,210,998)
(750,102)	100	42	(1,868,930)	(2,545,517)	-	6,372,065	1,998,546	3,397,166
<u>1,566,579</u>	<u>152,593</u>	<u>83,676</u>	<u>3,166,959</u>	<u>2,548,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,525,448</u>
<u>\$ 816,477</u>	<u>\$ 152,693</u>	<u>\$ 83,718</u>	<u>\$ 1,298,029</u>	<u>\$ 2,497</u>	<u>\$ -</u>	<u>\$ 6,372,065</u>	<u>\$ 1,998,546</u>	<u>\$ 22,922,614</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2010
General Government			
Multipurpose			
Mobile Housing Board - home grant	\$ -	\$ (10,688)	\$ (10,688)
Various bank charges	-	3,575	3,575
Finance - general government equip and misc items	-	83,156	83,156
Fredrick Richardson - District 1	-	5,299	5,299
William Carroll - District 2	-	1,000	1,000
Reggie Copeland, Sr. - District 5	-	3,500	3,500
Reserve for Contingency - Tax Increment Fund	-	91,787	91,787
Building and grounds allowance	-	136,434	136,434
City share - Crepe Myrtle Trail	1,260,873	-	1,260,873
City share - Crepe Myrtle Trail - General Fund	(1,154,389)	-	(1,154,389)
City share - economic development	-	40,146	40,146
Citywide strategic and marketing plans	434,884	76,520	511,404
Demolitions - condemned buildings	-	56,515	56,515
Energy conservation project	-	4,328	4,328
Equipment - animal shelter	-	121,569	121,569
Equipment - council misc.	-	4,337	4,337
Equipment - public works	-	66,397	66,397
Expand municipal garage	917,475	14,385	931,860
Financial software maintenance	-	257,464	257,464
Sage avenue armory	142,058	1,084,602	1,226,660
GIS/aerial mapping system	2,736,808	25,753	2,762,561
GIS mapping system	161,000	-	161,000
Workforce development	-	54,000	54,000
Mechanical maintenance - maintenance projects	-	86,411	86,411
Mobile Area Education Fund	-	135,000	135,000
Mobile Airport - rent Aviation Training School	-	9,026	9,026
Public buildings - maintenance projects	-	54,286	54,286
Telephone switch upgrade	62,140	30,469	92,609
Strategic planning - comm/react/CitiSmart	-	42,660	42,660
Strategic planning - consultant and misc.	-	201,200	201,200
Total multipurpose	<u>4,560,849</u>	<u>2,679,131</u>	<u>7,239,980</u>

Disposition				
In-Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ -	\$ -	\$ (10,688)	\$ -	
-	-	3,575	-	
-	-	83,156	-	
-	-	5,299	-	
-	-	1,000	-	
-	-	3,500	-	
-	-	91,787	-	
-	-	136,434	-	
-	-	-	-	1,260,873
-	-	-	-	(1,154,389)
-	-	40,146	-	
511,404	-	-	-	
-	-	56,515	-	
-	-	4,328	-	
-	-	3,236	-	118,333
-	-	4,337	-	
-	-	66,397	-	
-	931,860	-	-	
-	-	257,464	-	
-	1,226,660	-	-	
-	2,762,561	-	-	
-	-	-	-	161,000
-	-	54,000	-	
-	-	86,411	-	
-	-	135,000	-	
-	-	9,026	-	
-	-	54,286	-	
92,609	-	-	-	
-	-	42,660	-	
-	-	201,200	-	
<u>604,013</u>	<u>4,921,081</u>	<u>1,329,069</u>	<u>385,817</u>	

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2010
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 22,164	\$ 22,164
2006 Various drainage pipe rep	511,708	3,050	514,758
2007 Annex areas 1 & 2	2,893,433	149,193	3,042,626
2008 Misc drainage/pipes	186,038	3,745	189,783
Misc. drainage pipes	55,450	15,848	71,298
Water quality studies	-	11,888	11,888
Airport Blvd. stabilization	48,402	-	48,402
Bayou St. Board of Health	19,337	161,296	180,633
Big Stickney Culvert at Springhill Avenue	46,313	3,050	49,363
Carlisle phase 2 - Morlee Drive to Illinois Central Gulf Railroad	3,142,233	522,574	3,664,807
City-wide storm drainage repairs	-	138,855	138,855
Conception Street drainage	84,762	-	84,762
Cottage Hill - bridge repair	13,450	-	13,450
Craft Highway - bridge repair	69,198	-	69,198
Dauphin Street extension drainage	2,036,942	22,903	2,059,845
Eslava Creek repairs at Wimbleton	138,055	-	138,055
Eslava Creek at Airport	73,953	-	73,953
Environment testing and upgrade	-	10,808	10,808
FEMA - mitigation buyout	-	151	151
Florida Street - Woodcock Creek - Dauphin	6,910,732	928,069	7,838,801
Government Street drainage - loop area	1,383,181	-	1,383,181
Granada Drive and Spring Creek	225,336	1,276	226,612
Halls Mill Road at Moore - bridge	51,597	-	51,597
Hillwood Road - District 5	85,821	495,616	581,437
Ice House Branch drainage	1,665,387	490,836	2,156,223
Little Stickney - 3 mile tributary	3,810,586	-	3,810,586
Little Stickney - Springhill to Louiselle	82,488	101,905	184,393
Macy Place drainage	3,928,391	-	3,928,391
Michigan Avenue bridge repairs	488,434	845,410	1,333,844
Middle Branch - Moores Creek	8,794	15,360	24,154
Montlimar Canal repairs	-	88,158	88,158
Navco Road bridge and Bolton	1,454,461	-	1,454,461
National Resource Conservancy Services erosion debris removal	921,489	-	921,489
Seabreeze Road East drainage	217,266	-	217,266
Springhill Avenue and Ann Street	2,633	-	2,633
Southern drain phase 2	6,205,980	670,724	6,876,704
Spencer Branch drainage - Dodge School	448,183	-	448,183
Three Mile Creek bank stabilization	136,765	-	136,765
Trinity Gardens ditch enclosures	-	965	965
Various channel improvements - citywide	337,230	-	337,230
Wilshire Road drainage	19,800	-	19,800
Total environmental	<u>37,703,828</u>	<u>4,703,844</u>	<u>42,407,672</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 22,164	\$ -
-	511,708	3,050	-
-	3,042,626	-	-
-	189,783	-	-
-	71,298	-	-
-	-	11,888	-
-	-	-	48,402
-	180,633	-	-
-	49,363	-	-
-	3,664,807	-	-
-	138,855	-	-
-	84,762	-	-
-	13,450	-	-
-	69,198	-	-
-	2,059,845	-	-
-	138,055	-	-
-	73,953	-	-
-	-	10,808	-
-	-	151	-
-	7,838,801	-	-
-	-	-	1,383,181
-	226,612	-	-
-	51,597	-	-
-	581,437	-	-
-	2,156,223	-	-
-	3,810,586	-	-
-	1,166,632	-	-
-	2,946,152	-	-
-	1,333,844	-	-
-	24,154	-	-
-	88,158	-	-
-	-	-	1,454,461
921,489	-	-	-
-	217,266	-	-
-	2,633	-	-
-	6,876,704	-	-
-	-	-	448,183
-	-	-	136,765
-	965	-	-
-	-	-	337,230
-	19,800	-	-
<u>921,489</u>	<u>37,629,900</u>	<u>48,061</u>	<u>3,808,222</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2010
General Government			
Transportation			
Electrical equipment	\$ -	\$ 11,085	\$ 11,085
FHWA Grant - Bring Back Broad Street	2,017,774	-	2,017,774
FHWA Grant - Bring Back Broad Street - grant	(1,942,773)	-	(1,942,773)
INFRA-ADA modifications	-	116,379	116,379
Traffic engineering - street improvements	-	129,543	129,543
Resurfacing - 4 cent gas tax project	1,942,327	121,235	2,063,562
Resurfacing - 2006 bond projects	4,051,828	-	4,051,828
Bel Air Boulevard bridge repairs	1,081,813	-	1,081,813
City's share - Hillcrest MPO project	3,018,667	-	3,018,667
City's share - Zeigler Boulevard	521,328	22,600	543,928
City's share - New Hamilton	-	444,082	444,082
Airport Boulevard signal system improvements	437,395	28,185	465,580
Airport Boulevard and Schillinger improvement	-	68,753	68,753
Airport Boulevard interconnect	21,153	1,700	22,853
Elwood Drive repairs	1,875	-	1,875
Hillsdale Heights sidewalks	19,913	6,209	26,122
Lloyds Lane sidewalks	10,890	1,210	12,100
Miscellaneous street improvements	-	147,750	147,750
Mobile Street improvements	585,704	-	585,704
Morgan Street bridge repairs	37,960	-	37,960
Old Shell Road sidewalks	264,762	-	264,762
Old Shell Road sidewalks - grant	(235,661)	-	(235,661)
Old Shell/McGregor intersection improvements	130,715	60,670	191,385
Safe routes to schools - sidewalks	45,000	50,000	95,000
St. Stephens Road sidewalks	14,181	81,451	95,632
Stormwater - miscellaneous bridges	699,639	283,595	983,234
Traffic circles/calming devices	-	42,680	42,680
Traffic engineering - LED program	-	12,880	12,880
Traffic signal - 680 S University	-	12,995	12,995
Traffic engineering - signal at Cody Road	-	2,596	2,596
Traffic engineering - Addsko Road	-	71,137	71,137
Traffic engineering - signal at Dauphin Street at Du Rhu	366,376	-	366,376
Traffic engineering - two way St. Louis Street	162,700	-	162,700
Traffic engineering - signal at Providence Park	-	334	334
Total transportation	<u>13,253,566</u>	<u>1,717,069</u>	<u>14,970,635</u>
Security			
800 MHZ radio site rental	-	125,198	125,198
City's share - fire department grant install generators	-	1,335,202	1,335,202
Equipment - fire	-	4,540	4,540
Equipment - police	-	44,277	44,277
Equipment - public safety	-	20,768	20,768
Equipment - police lease	-	7,988	7,988

Disposition				
In-Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ -	\$ -	\$ 11,085	\$ -	
-	-	-	2,017,774	
-	-	-	(1,942,773)	
-	116,379	-	-	
-	-	129,543	-	
-	9,559	-	2,054,003	
-	-	-	4,051,828	
-	1,081,813	-	-	
-	3,018,667	-	-	
-	543,928	-	-	
-	-	-	444,082	
-	465,580	-	-	
-	-	-	68,753	
-	-	-	22,853	
-	-	-	1,875	
-	26,122	-	-	
-	12,100	-	-	
-	-	147,750	-	
-	585,704	-	-	
-	-	-	37,960	
-	264,762	-	-	
-	(235,661)	-	-	
-	191,385	-	-	
-	-	-	95,000	
-	95,632	-	-	
-	983,234	-	-	
-	-	-	42,680	
-	-	12,880	-	
-	-	12,995	-	
-	-	2,596	-	
-	71,137	-	-	
-	366,376	-	-	
-	162,700	-	-	
-	-	334	-	
-	<u>7,759,417</u>	<u>317,183</u>	<u>6,894,035</u>	
-	-	125,198	-	
-	-	-	1,335,202	
-	-	4,540	-	
-	-	44,277	-	
-	-	1,899	18,869	
-	-	7,988	-	

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2010
General Government			
Security (Cont'd)			
Fire - miscellaneous fire station building imprv.	\$ 635,274	\$ 829,948	\$ 1,465,222
Fire - various station upgrades	-	5,972	5,972
Lease - 2010 Public Safety	-	603,522	603,522
Lease - 6 pumper trucks	-	67	67
New fire station - Theodore	77,766	-	77,766
Fire dept. - Warehouse purchase	522,943	997	523,940
New public safety facility	1,862,521	3,869,685	5,732,206
Police - Towing facility	626,820	171,131	797,951
Police - community initiatives	-	3,912	3,912
Police building - 200 Government Street	82,140	568,877	651,017
Police building - 850 St. Anthony	1,674	61,499	63,173
Police - Toulmonville multipurpose room	-	3,533	3,533
Police joint use firearms facility	1,991,453	-	1,991,453
Police joint use firearms facility - gen fund	(1,900,237)	-	(1,900,237)
Total security	<u>3,900,354</u>	<u>7,657,116</u>	<u>11,557,470</u>
Recreation			
Equipment - parks and recreation	-	4,460	4,460
Broad/Dauphin Transit Pocket Park	461,653	3,220	464,873
College Football Bowl	-	1,035,000	1,035,000
Contribution - Bayfest	-	243,000	243,000
Contribution - Gulf Coast Classic	-	47,500	47,500
Cruise terminal and gangway	473,573	2,545,662	3,019,235
Ladd Stadium renovation	2,966,052	124,287	3,090,339
Parks - annexed area	2,450	-	2,450
Parks - Dearborn Street Community Center	-	6,949	6,949
Parks - Heritage Park	13,600	-	13,600
Parks - Hillsdale Community Center	-	4,548	4,548
Parks - Japanese Gardens	-	4,300	4,300
Parks - Kidd Park improvements	5,087	10,841	15,928
Parks - Lavretta restrooms	79,386	5,098	84,484
Parks - Mary Abby Berg	-	100,000	100,000
Parks - Senior Citizen Center	-	1,788	1,788

Dispositon

In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 1,465,222	\$ -	\$ -
-	-	(2)	5,974
-	-	58,349	545,173
-	-	67	-
-	77,766	-	-
-	523,940	-	-
-	5,732,206	-	-
-	797,951	-	-
-	-	3,912	-
-	651,016	-	-
-	63,173	-	-
-	-	3,533	-
-	-	-	91,217
-	-	-	-
-	9,311,274	249,761	1,996,435
-	-	4,460	-
-	77,449	-	387,424
-	-	1,035,000	-
-	-	243,000	-
-	-	47,500	-
-	3,019,235	-	-
-	3,090,339	-	-
-	2,450	-	-
-	-	6,949	-
13,600	-	-	-
-	-	4,548	-
-	-	4,300	-
-	15,928	-	-
-	84,484	-	-
-	-	100,000	-
-	1,350	438	-

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2010
General Government			
Recreation (Cont'd)			
Parks - Theodore area park	\$ 153,727	\$ 433	\$ 154,160
Parks - Trinity Gardens park	-	1,589	1,589
Springhill Ave recreation center	600,915	16,024	616,939
Strategic Plan - Ladd Stadium debt	-	98,975	98,975
Waterfront development - GulfQuest	-	110	110
Waterfront development	15,113,383	-	15,113,383
Waterfront development - general fund	(15,111,767)	-	(15,111,767)
Total recreation	<u>4,758,059</u>	<u>4,253,784</u>	<u>9,011,843</u>
Cultural			
Centre for the Living Arts	-	220,000	220,000
Mobile Pub Library - renovation & expansion	-	2,145	2,145
Strategic Plan - Saenger Theatre renovations	-	2,046	2,046
Strategic Plan - Battleship restoration	-	45,000	45,000
Total cultural	<u>-</u>	<u>269,191</u>	<u>269,191</u>
Total general government	<u>64,176,656</u>	<u>21,280,135</u>	<u>85,456,791</u>
Proprietary			
Mobile Civic Center:			
Civic Center renovations	<u>-</u>	<u>24,035</u>	<u>24,035</u>
Total proprietary	<u>-</u>	<u>24,035</u>	<u>24,035</u>
Total capital projects	<u>\$ 64,176,656</u>	<u>\$ 21,304,170</u>	<u>\$ 85,480,826</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 154,160	\$ -	\$ -
-	-	1,589	-
-	616,939	-	-
-	-	98,975	-
-	110	-	-
-	1,616	-	-
-	-	-	-
<u>13,600</u>	<u>7,064,060</u>	<u>1,546,759</u>	<u>387,424</u>
-	-	220,000	-
-	-	2,145	-
-	-	2,046	-
-	-	45,000	-
-	-	<u>269,191</u>	-
<u>1,539,102</u>	<u>66,685,732</u>	<u>3,760,024</u>	<u>13,471,933</u>
-	-	24,035	-
-	-	<u>24,035</u>	-
<u>\$ 1,539,102</u>	<u>\$ 66,685,732</u>	<u>\$ 3,784,059</u>	<u>\$ 13,471,933</u>

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Motor Pool Fund - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.

Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.

Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2010**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 365,313	\$ 894,160	\$ -	\$ 1,259,473
Receivables, net	14,722	-	-	14,722
Total current assets	<u>380,035</u>	<u>894,160</u>	<u>-</u>	<u>1,274,195</u>
Property, plant and equipment				
Vehicles	30,778,846	-	-	30,778,846
Furniture, fixtures and equipment	3,803,604	-	-	3,803,604
	<u>34,582,450</u>	<u>-</u>	<u>-</u>	<u>34,582,450</u>
Less: accumulated depreciation	<u>(25,279,805)</u>	<u>-</u>	<u>-</u>	<u>(25,279,805)</u>
Property, plant and equipment - net	<u>9,302,645</u>	<u>-</u>	<u>-</u>	<u>9,302,645</u>
Total assets	<u>\$ 9,682,680</u>	<u>\$ 894,160</u>	<u>\$ -</u>	<u>\$ 10,576,840</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 11,899	\$ 121,714	\$ 353,030	\$ 486,643
Accrued payroll	8,054	-	-	8,054
Capital lease obligations - current portion	175,492	-	-	175,492
Insurance claims payable	-	-	2,072,327	2,072,327
Due to other funds	-	-	3,041,729	3,041,729
Total current liabilities	<u>195,445</u>	<u>121,714</u>	<u>5,467,086</u>	<u>5,784,245</u>
Noncurrent liabilities:				
Capital lease obligations, net of current portion	180,423	-	-	180,423
Self-insured liability - legal	-	420,000	-	420,000
Total noncurrent liabilities	<u>180,423</u>	<u>420,000</u>	<u>-</u>	<u>600,423</u>
Total liabilities	<u>375,868</u>	<u>541,714</u>	<u>5,467,086</u>	<u>6,384,668</u>
Net Assets				
Invested in capital assets, net of related debt	8,776,035	-	-	8,776,035
Unrestricted	530,777	352,446	(5,467,086)	(4,583,863)
Total net assets	<u>9,306,812</u>	<u>352,446</u>	<u>(5,467,086)</u>	<u>4,192,172</u>
Total liabilities and net assets	<u>\$ 9,682,680</u>	<u>\$ 894,160</u>	<u>\$ -</u>	<u>\$ 10,576,840</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the year ended SEPTEMBER 30, 2010

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Operating revenues				
Charges for services:				
User charges	\$ 4,368,841	\$ -	\$ 15,287,904	\$ 19,656,745
Employee Contributions	-	-	4,350,269	4,350,269
Miscellaneous revenue	-	-	1,847	1,847
Total operating revenues	<u>4,368,841</u>	<u>-</u>	<u>19,640,020</u>	<u>24,008,861</u>
Operating expenditures				
Materials	2,518,074	14,404	-	2,532,478
Personnel services	142,407	-	-	142,407
Professional and technical	60,474	960,094	102,264	1,122,832
Utilities	47,694	-	-	47,694
Other charges	7,732	1,170,843	852	1,179,427
Insurance benefit payments	-	-	22,968,773	22,968,773
Increase (decrease) in provision for self-insured loss	-	-	(42,502)	(42,502)
Depreciation	2,039,165	-	-	2,039,165
Total operating expense	<u>4,815,546</u>	<u>2,145,341</u>	<u>23,029,387</u>	<u>29,990,274</u>
Operating income (loss)	<u>(446,705)</u>	<u>(2,145,341)</u>	<u>(3,389,367)</u>	<u>(5,981,413)</u>
Nonoperating revenues (expenses)				
Gain (loss) on disposal of assets	1,008	-	-	1,008
Damaged vehicles reimbursement	89,895	-	-	89,895
Cost reimbursement	3,000	3,583	-	6,583
Investment income	52	-	-	52
Interest	(20,430)	-	-	(20,430)
Total nonoperating revenues	<u>73,525</u>	<u>3,583</u>	<u>-</u>	<u>77,108</u>
Income (loss) before operating transfers	(373,180)	(2,141,758)	(3,389,367)	(5,904,305)
Transfers in	-	2,700,000	3,877,284	6,577,284
Transfers out	(2,000,000)	(1,300,000)	-	(3,300,000)
Change in net assets	(2,373,180)	(741,758)	487,917	(2,627,021)
Net assets at beginning of the year	11,679,992	1,094,204	(5,955,003)	6,819,193
Net assets at end of the year	<u>\$ 9,306,812</u>	<u>\$ 352,446</u>	<u>\$ (5,467,086)</u>	<u>\$ 4,192,172</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended SEPTEMBER 30, 2010

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Cash flows from operating activities				
Cash received from:				
Internal billings	\$ 4,362,556	\$ -	\$ 15,287,904	\$ 19,650,460
User charges	-	-	130,404	130,404
Employee contributions	-	-	4,219,865	4,219,865
Miscellaneous	-	-	1,847	1,847
Cash payments for insurance claims	-	-	(23,268,555)	(23,268,555)
Cash payments for operating expenses	(2,632,601)	(2,086,169)	(102,264)	(4,821,034)
Cash payments to employees for services	(141,950)	-	-	(141,950)
Cash payments for interfund services use	-	-	(146,485)	(146,485)
Net cash provided (used) by operating activities	<u>1,588,005</u>	<u>(2,086,169)</u>	<u>(3,877,284)</u>	<u>(4,375,448)</u>
Cash flows from non-capital financing activities				
Cost reimbursements	3,000	3,583	-	6,583
Transfers in from other funds	-	2,700,000	3,877,284	6,577,284
Transfers out to other funds	<u>(2,000,000)</u>	<u>(1,300,000)</u>	<u>-</u>	<u>(3,300,000)</u>
Net cash provided by non-capital financing activities	<u>(1,997,000)</u>	<u>1,403,583</u>	<u>3,877,284</u>	<u>3,283,867</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	417,783	-	-	417,783
Proceeds from disposal of capital assets	(488,828)	-	-	(488,828)
Payments on capital leases	(320,355)	-	-	(320,355)
Interest payments	(20,430)	-	-	(20,430)
Reimbursement for damaged vehicles	<u>89,895</u>	<u>-</u>	<u>-</u>	<u>89,895</u>
Net cash used by capital and related financing activities	<u>(321,935)</u>	<u>-</u>	<u>-</u>	<u>(321,935)</u>
Cash flows from investing activities				
Investment income received	<u>52</u>	<u>-</u>	<u>-</u>	<u>52</u>
Net cash provided by investing activities	<u>52</u>	<u>-</u>	<u>-</u>	<u>52</u>
Net increase (decrease) in pooled cash and investments	(730,878)	(682,586)	-	(1,413,464)
Pooled cash and investments - beginning of the year	1,096,191	1,576,746	-	2,672,937
Pooled cash and investments - end of the year	<u>\$ 365,313</u>	<u>\$ 894,160</u>	<u>\$ -</u>	<u>\$ 1,259,473</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
INTERNAL SERVICE FUNDS
For the year ended SEPTEMBER 30, 2010

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (446,705)</u>	<u>\$ (2,145,341)</u>	<u>\$ (3,389,367)</u>	<u>\$ (5,981,413)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	2,039,165	-	-	2,039,165
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(6,285)	-	62,466	56,181
Increase (decrease) in:				
Accounts payable	1,373	-	-	1,373
Accrued liabilities	457	-	-	457
Insurance claims payable	-	-	(403,898)	(403,898)
Self-insured liability - legal	-	59,172	-	59,172
Due to other funds	-	-	(146,485)	(146,485)
Total adjustments	<u>2,034,710</u>	<u>59,172</u>	<u>(487,917)</u>	<u>1,605,965</u>
Net cash provided (used) by operating activities	<u>\$ 1,588,005</u>	<u>\$ (2,086,169)</u>	<u>\$ (3,877,284)</u>	<u>\$ (4,375,448)</u>

ENTERPRISE FUNDS - NON MAJOR

Enterprise funds account for activities whose operations are financed and operated in a manner similar to private business operations - where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges.

Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.

Firemedics - This fund is used to account for the operations of the Firemedics division which provides ambulance service to the general public.

Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.

Affordable Homes Program - This fund is used to account for the operations of the Affordable Homes Program which derives the majority of its income from rental activity.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2010**

	Azalea City Golf Course	Firemedics
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash, equity in pooled cash and investments	\$ -	\$ -
Receivables, net	290	1,382,060
Inventories	65,264	-
Total current assets	<u>65,554</u>	<u>1,382,060</u>
Noncurrent assets equipment		
Non-depreciable capital assets	1,457,640	-
Depreciable capital assets, net	2,361,753	100,590
Total noncurrent assets	<u>3,819,393</u>	<u>100,590</u>
Total assets	<u>\$ 3,884,947</u>	<u>\$ 1,482,650</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 132,433	\$ 249,658
Due to other funds	374,704	1,382,060
Total current liabilities	<u>507,137</u>	<u>1,631,718</u>
Noncurrent liabilities:		
Net Assets		
Invested in capital assets, net of related debt	3,819,393	100,590
Unrestricted	(441,583)	(249,658)
Total net assets	<u>3,377,810</u>	<u>(149,068)</u>
Total liabilities and net assets	<u>\$ 3,884,947</u>	<u>\$ 1,482,650</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 600	\$ 570,680	\$ 571,280
-	-	1,382,350
-	-	65,264
<u>600</u>	<u>570,680</u>	<u>2,018,894</u>
-	3,000	1,460,640
<u>83,475</u>	<u>110,095</u>	<u>2,655,913</u>
<u>83,475</u>	<u>113,095</u>	<u>4,116,553</u>
<u>\$ 84,075</u>	<u>\$ 683,775</u>	<u>\$ 6,135,447</u>
\$ 39,533	\$ 15	\$ 421,639
-	-	1,756,764
<u>39,533</u>	<u>15</u>	<u>2,178,403</u>
83,475	113,095	4,116,553
<u>(38,933)</u>	<u>570,665</u>	<u>(159,509)</u>
<u>44,542</u>	<u>683,760</u>	<u>3,957,044</u>
<u>\$ 84,075</u>	<u>\$ 683,775</u>	<u>\$ 6,135,447</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
For the year ended SEPTEMBER 30, 2010

	Azalea City Golf Course	Firemedics
Operating revenues		
Sales revenue	\$ 144,197	\$ -
User charges	1,196,303	2,487,710
Concessions	-	-
Miscellaneous revenue	-	-
Total operating revenues	1,340,500	2,487,710
Operating expenditures		
Utilities	78,144	29,783
Cost of goods sold	85,642	-
Personnel services	801,814	4,657,927
Professional and technical	20,384	186,577
Commodities	219,541	345,815
Other charges	123,461	204,639
Depreciation	120,235	5,859
Capital outlay	4,030	-
Total operating expense	1,453,251	5,430,600
Operating income (loss)	(112,751)	(2,942,890)
Nonoperating revenues (expenses)		
Investment income	3,164	-
Cost reimbursement	740	-
Gain (loss) on disposal of assets	6,436	(1,637)
Total nonoperating revenues (expenses)	10,340	(1,637)
Net income (loss) before transfers	(102,411)	(2,944,527)
Transfers in	-	2,938,107
Change in net assets	(102,411)	(6,420)
Net assets at beginning of the year	3,480,221	(142,648)
Net assets at end of the year	\$ 3,377,810	\$ (149,068)

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 215	\$ -	\$ 144,412
156,607	-	3,840,620
4,411	-	4,411
88	-	88
<u>161,321</u>	<u>-</u>	<u>3,989,531</u>
66,651	599	175,177
-	-	85,642
368,117	-	5,827,858
74,979	513	282,453
36,523	-	601,879
8,319	-	336,419
5,622	4,031	135,747
-	-	4,030
<u>560,211</u>	<u>5,143</u>	<u>7,449,205</u>
<u>(398,890)</u>	<u>(5,143)</u>	<u>(3,459,674)</u>
-	-	3,164
-	-	740
-	(509)	4,290
<u>-</u>	<u>(509)</u>	<u>8,194</u>
(398,890)	(5,652)	(3,451,480)
<u>398,129</u>	<u>-</u>	<u>3,336,236</u>
(761)	(5,652)	(115,244)
<u>45,303</u>	<u>689,412</u>	<u>4,072,288</u>
<u>\$ 44,542</u>	<u>\$ 683,760</u>	<u>\$ 3,957,044</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the year ended SEPTEMBER 30, 2010

	Azalea City Golf Course	Firemedics
Cash flows from operating activities		
Cash received from:		
User charges	\$ 1,196,423	\$ 2,215,381
Sales revenue	144,197	-
Concessions	-	-
Miscellaneous	14,704	-
Cash payments for operating expenses	(501,551)	(507,506)
Cash payments to employees for services	(805,608)	(4,645,982)
Net cash provided (used) by operating activities	48,165	(2,938,107)
Cash flows from non-capital financing activities		
Cost reimbursements	740	-
Transfers in from other funds	-	2,938,107
Net cash provided by non-capital financing activities	740	2,938,107
Cash flows from capital and related financing activities		
Acquisition of capital assets	(78,564)	-
Proceeds from disposal of capital assets	14,238	-
Net cash used by capital and related financing activities	(64,326)	-
Cash flows from investing activities		
Investment income received	3,164	-
Net cash provided by investing activities	3,164	-
Net increase (decrease) in pooled cash and investments	(12,257)	-
Pooled cash and investments - beginning of the year	12,257	-
Pooled cash and investments - end of the year	\$ -	\$ -

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
\$ 156,607	\$ -	\$ 3,568,411
215	-	144,412
4,411	-	4,411
88	-	14,792
(188,375)	(1,144)	(1,198,576)
<u>(368,400)</u>	<u>-</u>	<u>(5,819,990)</u>
<u>(395,454)</u>	<u>(1,144)</u>	<u>(3,286,540)</u>
-	-	740
<u>398,129</u>	<u>-</u>	<u>3,336,236</u>
<u>398,129</u>	<u>-</u>	<u>3,336,976</u>
(2,675)	(22,830)	(104,069)
-	94,500	108,738
<u>(2,675)</u>	<u>71,670</u>	<u>4,669</u>
-	-	3,164
-	-	3,164
-	70,526	58,269
600	500,154	513,011
<u>\$ 600</u>	<u>\$ 570,680</u>	<u>\$ 571,280</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
NON-MAJOR ENTERPRISE FUNDS
For the year ended SEPTEMBER 30, 2010**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (112,751)</u>	<u>\$ (2,942,890)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	120,235	5,859
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	122	(272,329)
Materials and supplies	(15,050)	-
Increase (decrease) in:		
Accounts payable	44,698	(21,764)
Accrued liabilities	(3,793)	11,944
Due to other funds	14,704	281,073
Total adjustments	<u>160,916</u>	<u>4,783</u>
Net cash provided (used) by operating activities	<u>\$ 48,165</u>	<u>\$ (2,938,107)</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
<u>\$ (398,890)</u>	<u>\$ (5,143)</u>	<u>\$ (3,459,674)</u>
5,622	4,031	135,747
-	-	(272,207)
-	-	(15,050)
(1,903)	(32)	20,999
(283)	-	7,868
-	-	295,777
<u>3,436</u>	<u>3,999</u>	<u>173,134</u>
<u>\$ (395,454)</u>	<u>\$ (1,144)</u>	<u>\$ (3,286,540)</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
ENTERPRISE FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2010

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2010</u>
Azalea City Golf Course			
Clubhouse renovations	\$ 996,905	\$ 18,924	\$ 1,015,829
WAVE Transit			
Facility improvement - N. Mobile County	5,128	-	5,128
Mobile Convention Center			
Equipment	-	7,133	7,133
VIP elevator	1,290	-	1,290
Fire alarm	-	11,552	11,552
Alabama Cruise Terminal			
Equipment	-	-	-
Terminal and gangway	50,753	524,198	574,951
Municipal Parking Garage			
Equipment - traffic engineering	-	758	758
Traffic engineering - crowd control	-	5,338	5,338
Municipal parking garage	-	13,021	13,021
Total	<u>\$ 1,054,076</u>	<u>\$ 580,924</u>	<u>\$ 1,635,000</u>

Disposition			
In Progress		Completed	
Expended	Capitalized	Expended	Capitalized
\$ -	\$ 1,015,829	\$ -	\$ -
-	5,128	-	-
7,133	-	-	-
1,290	-	-	-
-	-	11,552	-
-	-	-	-
-	574,951	-	-
-	-	758	-
-	-	5,338	-
-	-	13,021	-
<u>\$ 8,423</u>	<u>\$ 1,595,908</u>	<u>\$ 30,669</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

Other Supplementary Information

General Fund
Capital Assets
Long-Term Debt

OTHER SUPPLEMENTARY INFORMATION

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
SEPTEMBER 30, 2010

	Budget	Actual	Variance Positive/ (Negative)
Taxes			
Property			
Real estate	\$ 12,255,544	\$ 12,549,366	\$ 293,822
Motor vehicle	1,509,521	1,355,741	(153,780)
Sales and use			
Sales tax - City	110,487,103	120,462,060	9,974,957
Sales tax - Police Jurisdiction	8,625,608	7,534,393	(1,091,215)
Lease/rental - City	3,930,943	4,102,498	171,555
Lease/rental - Police Jurisdiction	273,240	229,108	(44,132)
Room tax - City	3,232,822	3,996,019	763,197
Room tax - Police Jurisdiction	16,000	30,785	14,785
Motor vehicle rental - City	905,291	1,097,761	192,470
Motor vehicle rental - Police Jurisdiction	34,217	49,431	15,214
Selective sales and use			
Motor fuel			
Regular - City	2,181,482	2,283,628	102,146
Regular - Police Jurisdiction	777,540	782,258	4,718
County equalization	418,062	447,565	29,503
Alcoholic beverages			
Liquor - City	434,192	500,356	66,164
Liquor - Police Jurisdiction	26,710	33,130	6,420
Liquor - ABC Board	207,706	215,873	8,167
Table Wine	153,961	167,720	13,759
Beer	1,306,578	1,279,388	(27,190)
Other			
Cigarette stamp tax	2,317,156	2,370,001	52,845
Other tobacco tax - City	424,254	417,573	(6,681)
Other tobacco tax - Police Jurisdiction	35,737	45,240	9,503
Other tax revenue	30,000	32,504	2,504
Total taxes	<u>149,583,667</u>	<u>159,982,398</u>	<u>10,398,731</u>
Licenses and permits			
Business licenses - City	31,074,093	29,919,861	(1,154,232)
Business licenses - Police Jurisdiction	2,571,364	2,633,928	62,564
Motor vehicle licenses	525,000	649,842	124,842
Dog licenses	37,000	36,279	(721)
Total licenses and permits	<u>34,207,457</u>	<u>33,239,910</u>	<u>(967,547)</u>
Intergovernmental			
Alcoholic Beverage Control Board	69,900	3,532	(66,368)
Financial excise tax	400,000	79,224	(320,776)
Oil and gas tax	75,000	72,554	(2,446)
Mobile County Racing Commission	70,000	44,682	(25,318)
Total intergovernmental	<u>614,900</u>	<u>199,992</u>	<u>(414,908)</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND (CONT'D)
SEPTEMBER 30, 2010

	Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 48,000	\$ 42,723	\$ (5,277)
Building demolition fee	75,000	29,073	(45,927)
Animal shelter	15,000	9,653	(5,347)
Public safety			
Inspection	1,500,000	1,419,704	(80,296)
Fire plan review fee	40,000	35,716	(4,284)
Police and fire	400,000	517,809	117,809
Engineering	265,000	325,592	60,592
Parking management fees	265,000	268,620	3,620
County sales tax collection fee	2,442,595	2,424,700	(17,895)
Property rental	75,000	34,474	(40,526)
Franchise fees - miscellaneous	2,389,933	2,201,633	(188,300)
Recreational fees	525,000	453,870	(71,130)
Landfill	325,000	421,041	96,041
Total charges for services	<u>8,365,528</u>	<u>8,184,608</u>	<u>(180,920)</u>
Fines and forfeitures			
Municipal offense fines	235,000	166,809	(68,191)
Police fines	1,700,000	1,673,065	(26,935)
Driver's education	430,000	374,028	(55,972)
Bond forfeitures	95,000	96,546	1,546
Court costs	420,000	443,958	23,958
DA Restitution Unit collection fees	120,000	132,616	12,616
Corrections fund	1,200,000	1,238,489	38,489
Alarm ordinance fines and permits	6,000	18,850	12,850
Probation fee from court	-	381,075	381,075
City drug testing	-	134,080	134,080
Other fees	-	22,904	22,904
Total fines and forfeitures	<u>4,206,000</u>	<u>4,682,420</u>	<u>476,420</u>
State and federal assistance	<u>-</u>	<u>16,162,989</u>	<u>16,162,989</u>
Interest			
Investment of idle funds	662,869	104,095	(558,774)
Interest on receivables	135,000	144,211	9,211
Total interest	<u>797,869</u>	<u>248,306</u>	<u>(549,563)</u>
Miscellaneous			
Law enforcement revenues	-	367,216	367,216
Athletic fund	-	82,202	82,202
Miscellaneous	275,000	418,525	143,525
Total miscellaneous (other)	<u>275,000</u>	<u>867,943</u>	<u>592,943</u>
Total revenues	<u>\$ 198,050,421</u>	<u>\$ 223,568,566</u>	<u>\$ 25,518,145</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
For the year ended SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Other financing sources			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 600,000	\$ 600,000	\$ -
From 7-cent Gasoline Tax Special Revenue Fund	400,000	(118,148)	(518,148)
From Fuel Inspection Fees Special Revenue Fund	84,000	75,334	(8,666)
From Strategic Plan Fund	3,159,772	3,159,772	-
From Capital Projects Fund	-	3,482,439	3,482,439
From WAVE Transit	-	2,343,301	2,343,301
From Grant Administration	-	285,979	285,979
From Drug Enforcement Fund	-	63,258	63,258
From Internal Service Funds	<u>4,400,000</u>	<u>3,300,000</u>	<u>(1,100,000)</u>
Total operating transfers in	<u>8,643,772</u>	<u>13,191,935</u>	<u>4,548,163</u>
Insurance Recoveries	-	2,113	2,113
Sales of general capital assets	<u>2,400</u>	<u>3,331</u>	<u>931</u>
Total other financing sources	<u>8,646,172</u>	<u>13,197,379</u>	<u>4,551,207</u>
Other financing uses			
Operating transfers out:			
To Mobile Civic Center Enterprise Fund	1,032,389	1,184,881	152,492
To Capital Improvement Fund	-	115,830	115,830
To Firemedics Enterprise Fund	3,702,039	1,914,679	(1,787,360)
To Mobile Tennis Center Enterprise Fund	653,511	398,129	(255,382)
To Insurance Internal Service Fund	2,700,000	2,700,000	-
To Employee Health Plan Internal Service Fund	3,877,284	3,877,284	-
To Metro Transit Enterprise Fund	4,950,000	7,740,286	2,790,286
To Grant Administration	<u>175,000</u>	<u>349,236</u>	<u>174,236</u>
Total operating transfers out	<u>17,090,223</u>	<u>18,280,325</u>	<u>1,190,102</u>
Total other financing sources (uses)	<u>\$ (8,444,051)</u>	<u>\$ (5,082,946)</u>	<u>\$ 3,361,105</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY SOURCE
SEPTEMBER 30, 2010

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental activities capital assets			
Land	\$ 25,516,025	\$ -	\$ 25,516,025
Buildings	59,772,924	24,893,937	34,878,987
Improvements other than buildings	100,385,759	32,777,966	67,607,793
Vehicular equipment	52,530,643	37,785,254	14,745,389
Other equipment	43,148,738	31,567,001	11,581,737
Infrastructure	450,837,867	83,007,764	367,830,103
Infrastructure-in-progress	46,554,037	-	46,554,037
Intangible assets	474,428	-	474,428
Construction-in-progress	38,656,089	-	38,656,089
Total governmental activities	<u>\$ 817,876,510</u>	<u>\$ 210,031,922</u>	<u>\$ 607,844,588</u>
Investment in governmental activities			
General obligation warrants	\$ 88,719,010	\$ 24,552,489	\$ 64,166,521
General grants and other	51,271,555	12,230,736	39,040,819
Revenue sharing	926,995	661,402	265,593
Capital improvements	349,557,796	100,255,803	249,301,993
General fund	8,036,988	4,889,450	3,147,538
Internal service funds	34,712,196	25,394,292	9,317,904
Special revenue funds	50,502,177	12,503,180	37,998,997
Intangible assets	474,428	-	474,428
Gifts	233,675,365	29,544,570	204,130,795
Total investment in governmental activities	<u>\$ 817,876,510</u>	<u>\$ 210,031,922</u>	<u>\$ 607,844,588</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION
SEPTEMBER 30, 2010

	<u>Land</u>	<u>Improvements</u>
General government	\$ 23,895,488	\$ 62,128,551
Economic development	-	-
Public safety	419,850	5,178,652
Public works	75,715	962,889
Culture and recreation	1,124,972	32,112,210
Finance	-	3,457
Nondepartmental	<u>-</u>	<u>-</u>
Total governmental capital assets allocated to functions	<u>\$ 25,516,025</u>	<u>\$100,385,759</u>
Construction in progress		
Infrastructure in progress		
Total governmental activities capital assets		
Less: accumulated depreciation		
Net governmental activities capital assets		

<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 21,467,719	\$ 32,834,902	\$ 451,312,295	\$ 591,638,955
-	11,359	-	11,359
8,875,749	27,377,060	-	41,851,311
1,428,858	18,199,943	-	20,667,405
27,615,798	3,155,176	-	64,008,156
-	4,992,163	-	4,995,620
<u>384,800</u>	<u>9,108,775</u>	<u>-</u>	<u>9,493,575</u>
<u>\$ 59,772,924</u>	<u>\$ 95,679,378</u>	<u>\$ 451,312,295</u>	732,666,381
			38,656,088
			<u>46,554,037</u>
			817,876,506
			<u>210,031,920</u>
			<u>\$ 607,844,586</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE
For the Year Ended September 30, 2010

	Interest Rate Percent	Interest Payment Dates	Issue Dates	Final Maturity Date
2001 General Obligation Refunding and School Warrants	4.0-5.0%	2/15-8/15	8/15/01	2/15/20
2002 General Obligation Refunding Warrants	5.2-5.55%	2/15-8/15	5/15/02	8/15/20
2002 Limited Obligation Tax Increment Warrants	3.7-5.5%	2/15-8/15	5/15/02	2/15/23
2006 General Obligation Refunding and Improvement Warrants	4.38-5.0%	2/15-8/15	7/1/06	2/15/30
2006 General Obligation Private Placement Warrants	4.5%	2/15-8/15	10/2/06	8/15/16
2008 General Obligation Warrants	4.0-5.0%	2/15-8/15	1/22/08	2/15/30
2008B General Obligation Refunding and Improvement Warrants	4.0-4.66%	2/15-8/15	7/24/08	2/15/20
2008C (AMT) General Obligation Improvement Warrants	4.0-4.83%	2/15-8/15	7/24/08	2/15/30
2009 General Obligation Warrants	3.84%	2/15-8/15	2/5/09	8/15/12
2009A General Obligation Refunding Warrants	3.0-4.5%	2/15-8/15	12/09/09	2/15/28
2009B General Obligation Build America Warrants	6.085%	2/15-8/15	12/9/09	2/15/30
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	2/9/09	2/15/30
2010 General Obligation Taxable Build America Warrants	4.23%	2/15-8/15	2/17/10	2/15/15
Note payable to Chemical Bank of New York	3.73-7.9%	2/1-8/1	8/5/92	8/1/12
Note payable to JP Morgan Chase Bank	Variable 0.2+LIBOR	2/1-8/1	6/30/04	8/1/22

Total

Serial Payments	Original Amount of Issue	Balance September 30, 2009	Year Ended September 30, 2010 Issued	Year Ended September 30, 2010 Retirements	Balance September 30, 2010	Interest for Year Ended September 2010
Semi-annual interest payments with annual principal payments ranging from \$785,000 to \$2,925,000	\$ 31,430,000	\$ 14,415,000	\$ -	\$ 2,055,000	\$ 12,360,000	\$ 626,930
Semi-annual interest payments with annual principal payments ranging from \$1,975,000 to \$5,475,000	65,725,000	52,355,000	-	52,355,000	-	-
Semi-annual interest payments with annual principal payments ranging from \$130,000 to \$585,000	10,655,000	9,000,000	-	455,000	8,545,000	468,184
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	57,950,000	-	2,285,000	55,665,000	2,723,275
Semi-annual interest payments with annual principal payments ranging from \$225,000 to \$380,000	3,100,000	2,330,000	-	290,000	2,040,000	101,588
Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000	57,000,000	57,000,000	-	-	57,000,000	2,492,900
Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000	69,295,000	69,295,000	-	-	69,295,000	3,129,363
Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000	22,095,000	22,095,000	-	-	22,095,000	1,164,116
Semi-annual interest payments with annual principal payments ranging from \$137,016 to \$147,878	569,000	427,172	-	137,077	290,095	16,343
Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000	56,380,000	-	56,380,000	-	56,380,000	1,883,745
Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000	16,765,000	-	16,765,000	-	16,765,000	453,116
Semi-annual interest payments with annual principal payments ranging from \$6,430,000	6,430,000	-	6,430,000	-	6,430,000	147,051
Semi-annual interest payments with annual principal payments ranging from \$210,338 to \$219,330	2,000,000	-	2,000,000	181,904	1,818,096	27,342
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$200,000	2,000,000	545,000	-	165,000	380,000	24,160
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	1,035,000	-	55,000	980,000	56,759
	<u>\$ 408,129,000</u>	<u>\$ 286,447,172</u>	<u>\$ 81,575,000</u>	<u>\$ 57,978,981</u>	<u>\$ 310,043,191</u>	<u>\$ 13,314,872</u>



SAMUEL L. JONES
MAYOR

Part III

Statistical

Section

CITY OF MOBILE, ALABAMA

STATISTICAL SECTION

This part of the City of Mobile's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents Page

Financial Trends

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

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Revenue Capacity

These schedules contain information to help the reader assess the government's local resources.

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Debt Capacity

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

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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Operating Information

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF MOBILE, ALABAMA
NET ASSETS BY COMPONENT
LAST NINE¹ FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 352,295,866	\$ 360,784,525	\$ 165,220,265
Restricted	15,516,950	13,331,469	101,136,760
Unrestricted	<u>(81,290,372)</u>	<u>(62,583,863)</u>	<u>2,166,159</u>
Total governmental activities net assets	<u>\$ 286,522,444</u>	<u>\$ 311,532,131</u>	<u>\$ 268,523,184</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 105,870,417	\$ 104,970,172	\$ 108,695,419
Unrestricted	<u>5,217,216</u>	<u>(1,392,389)</u>	<u>(1,354,221)</u>
Total business-type activities net assets	<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>	<u>\$ 107,341,198</u>
Primary government			
Invested in capital assets, net of related debt	\$ 458,166,283	\$ 465,754,697	\$ 273,915,684
Restricted	15,516,950	13,331,469	101,136,760
Unrestricted	<u>(76,073,156)</u>	<u>(63,976,252)</u>	<u>811,938</u>
Total primary government net assets	<u>\$ 397,610,077</u>	<u>\$ 415,109,914</u>	<u>\$ 375,864,382</u>

¹Only years available

					(restated)
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 268,805,699	\$ 209,514,867	\$ 216,935,303	\$ 197,814,817	\$ 182,995,270	\$ 159,719,874
16,179,486	51,146,572	25,943,133	29,656,613	34,061,195	44,654,378
10,736,409	16,388,241	5,596,978	(30,103)	(4,535,895)	1,928,536
<u>\$ 295,721,594</u>	<u>\$ 277,049,680</u>	<u>\$ 248,475,414</u>	<u>\$ 227,441,327</u>	<u>\$ 212,520,570</u>	<u>\$ 206,302,788</u>
\$ 92,821,853	\$ 93,845,147	\$ 94,654,880	\$ 93,570,979	\$ 97,229,101	\$ 97,082,598
(3,287,345)	(1,610,125)	(829,620)	4,572,242	4,429,680	4,310,429
<u>\$ 89,534,508</u>	<u>\$ 92,235,022</u>	<u>\$ 93,825,260</u>	<u>\$ 98,143,221</u>	<u>\$ 101,658,781</u>	<u>\$ 101,393,027</u>
\$ 361,627,552	\$ 303,360,014	\$ 311,590,183	\$ 291,385,796	\$ 280,224,371	\$ 256,802,472
16,179,486	51,146,572	25,943,133	29,656,613	34,061,195	44,654,378
7,449,064	14,778,116	4,767,358	4,542,139	(106,215)	6,238,965
<u>\$ 385,256,102</u>	<u>\$ 369,284,702</u>	<u>\$ 342,300,674</u>	<u>\$ 325,584,548</u>	<u>\$ 314,179,351</u>	<u>\$ 307,695,815</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET ASSETS
LAST NINE¹ FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses			
Governmental activities:			
General government	\$ 84,138,439	\$ 98,695,339	\$ 49,310,958
Economic development	2,802,701	1,429,622	984,354
Public safety	110,010,497	113,062,743	96,009,857
Public works	44,867,891	45,892,056	40,955,090
Culture and recreation	19,665,980	20,373,562	22,191,802
Finance	5,791,514	6,823,212	5,273,774
Nondepartmental	-	-	-
Interest on long-term debt	14,120,058	15,717,193	36,120,233
Total governmental activities net assets	<u>281,397,080</u>	<u>301,993,727</u>	<u>250,846,068</u>
Business-type activities:			
Alabama Cruise Terminal	527,408	415,494	-
Civic Center	4,506,235	3,685,566	4,134,371
Convention Center	8,977,037	10,981,125	9,921,621
Golf course	1,452,509	1,518,478	1,302,813
Firemedics	5,430,599	5,478,439	5,632,700
Parking garage	275,939	270,307	264,875
Tennis Center	560,212	509,708	542,698
Affordable homes program	5,143	7,875	16,295
WAVE Transit	10,620,087	10,812,366	10,244,202
Total business-type activities net assets	<u>32,355,169</u>	<u>33,679,358</u>	<u>32,059,575</u>
Total primary government expenses	<u>\$ 313,752,249</u>	<u>\$ 335,673,085</u>	<u>\$ 282,905,643</u>

¹Only years available

					(restated)
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 25,688,828	\$ 25,254,679	\$ (24,452,166)	\$ 21,644,715	\$ 19,229,493	\$ 19,030,342
1,011,217	749,116	881,185	866,762	2,795,934	2,666,172
79,092,490	72,728,165	69,825,747	65,977,916	66,273,267	69,394,743
34,964,378	33,730,335	31,860,023	29,415,975	27,897,415	32,406,083
15,418,136	13,666,917	13,964,452	11,905,849	9,695,397	9,048,813
5,363,060	5,220,066	4,886,293	3,947,068	3,948,490	4,475,376
53,282,158	55,690,268	52,284,454	36,157,225	41,714,086	49,754,258
9,879,154	8,310,320	8,856,242	8,851,566	9,041,529	37,051,729
<u>224,699,421</u>	<u>215,349,866</u>	<u>207,010,562</u>	<u>178,767,076</u>	<u>180,595,611</u>	<u>223,827,516</u>
-	-	-	-	-	-
3,833,788	3,882,027	3,664,294	3,774,381	3,960,368	4,604,404
9,240,980	7,842,320	7,997,931	6,663,265	5,454,468	5,244,403
1,371,130	1,347,414	1,262,802	1,149,487	1,108,755	1,007,526
4,473,192	4,265,886	4,099,539	3,741,557	3,375,538	3,521,868
243,425	247,879	463,143	279,366	288,411	287,034
546,246	494,000	426,896	432,122	382,228	412,593
10,864	11,223	31,865	16,045	17,240	21,762
9,445,274	9,144,479	8,168,928	7,040,061	6,726,593	5,754,512
<u>29,164,899</u>	<u>27,235,228</u>	<u>26,115,398</u>	<u>23,096,284</u>	<u>21,313,601</u>	<u>20,854,102</u>
<u>\$ 253,864,320</u>	<u>\$ 242,585,094</u>	<u>\$ 233,125,960</u>	<u>\$ 201,863,360</u>	<u>\$ 201,909,212</u>	<u>\$ 244,681,618</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET ASSETS
LAST NINE¹ FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Program Revenues			
Governmental activities:			
Charges for services			
General government	\$ 49,218,621	\$ 13,394,552	\$ 9,056,023
Public safety	5,931,428	41,261,597	41,289,992
Public works	325,592	267,731	277,672
Culture and recreation	453,870	537,176	516,332
Operating Grants and Contributions	12,691,226	1,938,788	5,189,084
Capital Grants and Contributions	4,520,212	4,647,220	3,180,406
Total governmental activities program revenues	<u>73,140,949</u>	<u>62,047,064</u>	<u>59,509,509</u>
Business-type activities:			
Charges for services			
Alabama Cruise Terminal	2,579,507	1,058,523	202,671
Civic Center	2,094,485	1,754,181	2,200,886
Convention Center	4,766,976	3,576,172	3,169,704
Golf course	1,340,499	1,509,422	1,423,508
Firemedics	2,487,710	2,425,990	2,299,286
Parking garage	408,137	411,804	475,082
Tennis Center	161,321	78,687	76,195
Affordable homes program	-	-	-
WAVE Transit	1,086,131	1,027,542	1,099,053
Operating grants and contributions	7,789,433	3,330,363	3,667,452
Capital grants and contributions	-	-	82,935
Total business-type activities program revenues	<u>22,714,199</u>	<u>15,172,684</u>	<u>14,696,772</u>
Total primary government program revenues	<u>\$ 95,855,148</u>	<u>\$ 77,219,748</u>	<u>\$ 74,206,281</u>
Net Expense			
Governmental activities	\$ (208,256,131)	\$(239,946,663)	\$(191,336,559)
Business-type activities	(9,640,970)	(18,506,674)	(17,362,803)
Total primary government net expense	<u>\$ (217,897,101)</u>	<u>\$(258,453,337)</u>	<u>\$(208,699,362)</u>

¹Only years available

					(restated)
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 9,357,220	\$ 9,738,673	\$ 8,559,445	\$ 7,501,714	\$ 6,866,737	\$ 7,950,586
43,238,905	39,537,888	35,693,676	33,474,098	31,868,172	31,264,796
261,901	233,358	241,089	241,330	232,441	227,607
488,084	503,998	421,705	484,650	530,574	519,719
4,611,096	2,259,958	1,312,445	1,800,444	2,222,375	1,375,823
2,849,792	10,452,699	12,160,117	4,302,290	3,207,269	1,330,199
<u>60,806,998</u>	<u>62,726,574</u>	<u>58,388,477</u>	<u>47,804,526</u>	<u>44,927,568</u>	<u>42,668,730</u>
-	-	-	-	-	-
1,886,225	1,927,101	1,781,537	1,857,264	2,013,122	2,501,326
1,626,680	1,438,348	1,582,472	1,095,902	1,096,499	1,205,863
1,436,369	1,433,407	1,248,908	1,103,880	1,184,329	1,166,718
1,935,848	1,783,517	1,589,705	1,230,873	2,042,130	1,787,673
315,206	332,442	270,805	295,248	277,674	315,338
71,577	72,256	64,550	71,603	71,692	77,093
-	2,515	42,033	30,950	29,292	36,706
1,001,989	960,770	826,705	947,123	1,291,535	1,075,378
189,500	-	190,775	782,380	317,138	14,631,958
2,463,690	3,187,170	7,069,778	2,954,854	7,764,261	-
<u>10,927,084</u>	<u>11,137,526</u>	<u>14,667,268</u>	<u>10,370,077</u>	<u>16,087,672</u>	<u>22,798,053</u>
<u>\$ 71,734,082</u>	<u>\$ 73,864,100</u>	<u>\$ 73,055,745</u>	<u>\$ 58,174,603</u>	<u>\$ 61,015,240</u>	<u>\$ 65,466,783</u>
\$ (163,892,423)	\$ (152,623,292)	\$ (148,622,085)	\$ (130,962,550)	\$ (135,668,043)	\$ (181,158,786)
(18,237,815)	(16,097,702)	(11,448,130)	(12,726,207)	(5,225,929)	1,943,951
<u>\$(182,130,238)</u>	<u>\$(168,720,994)</u>	<u>\$(160,070,215)</u>	<u>\$(143,688,757)</u>	<u>\$(140,893,972)</u>	<u>\$(179,214,835)</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET ASSETS
LAST NINE¹ FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes:			
Real and personal property tax	\$ 16,077,830	\$ 15,969,310	\$ 14,938,843
Sales tax	141,825,022	132,218,742	140,470,973
Gross Receipt Sales Tax	-	-	-
Gasoline Tax	10,213,140	7,735,285	7,775,814
Room tax	6,040,106	4,795,120	5,239,745
Beer and liquor tax	2,196,467	2,137,149	2,027,597
Rental and leasing tax	5,699,115	4,104,708	4,430,951
Cigarette stamp tax	2,370,001	2,253,663	2,188,771
Other tobacco tax	462,814	455,907	434,014
Financial excise tax	79,224	1,320,726	4,264,065
Other tax revenue	105,055	4,554,032	-
Investment earnings	301,434	1,009,662	3,150,149
Other	2,239,320	6,298,450	5,550,454
Capital contributions	2,417,423	105,130,798	-
Transfers	<u>(6,780,507)</u>	<u>(5,027,942)</u>	<u>(26,333,227)</u>
Total governmental activities	<u>183,246,444</u>	<u>282,955,610</u>	<u>164,138,149</u>
Business-type activities			
Taxes:			
Sales tax	8,378,986	7,974,021	7,354,647
Gross receipts tax	-	-	-
Room tax	1,997,710	1,568,826	1,586,408
Investment earnings	3,321	16,563	59,405
Capital contributions	-	-	-
Other	(9,704)	155,907	(164,194)
Transfers	<u>6,780,507</u>	<u>5,027,942</u>	<u>26,333,227</u>
Total business-type activities	<u>17,150,820</u>	<u>14,743,261</u>	<u>35,169,493</u>
Total primary government	<u>\$ 200,397,264</u>	<u>\$ 297,698,869</u>	<u>\$ 199,307,642</u>
Changes in Net Assets			
Governmental activities	\$ (25,009,687)	\$ 43,008,947	\$ (27,198,410)
Business-type activities	<u>7,509,850</u>	<u>(3,763,415)</u>	<u>17,806,690</u>
Total primary government net expense	<u>\$ (17,499,837)</u>	<u>\$ 39,245,532</u>	<u>\$ (9,391,720)</u>

¹Only years available

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>(restated)2002</u>
\$ 13,200,779	\$ 12,834,026	\$ 12,514,663	\$ 11,483,033	\$ 11,250,105	\$ 10,778,874
135,345,733	142,430,882	125,670,947	110,299,805	-	-
-	-	-	-	106,370,132	107,721,408
10,020,374	10,054,815	10,240,950	9,576,652	9,773,049	9,887,274
4,689,885	4,883,060	4,038,979	2,147,609	2,035,015	2,164,859
1,933,147	2,000,960	1,851,427	1,738,397	1,446,190	1,479,985
6,638,181	6,573,934	5,817,366	5,312,377	6,019,106	6,184,240
2,229,154	2,250,584	2,306,408	2,305,187	771,869	727,935
444,534	461,272	387,780	305,632	-	-
1,286,414	1,681,486	676,323	1,359,800	334,239	-
149,249	185,176	156,916	138,824	129,902	127,940
4,658,748	2,914,890	1,224,720	572,095	1,300,571	1,160,117
5,086,335	1,688,182	4,941,870	3,773,696	2,125,914	10,174,430
4,693,831	-	-	-	-	-
<u>(7,812,027)</u>	<u>(6,761,709)</u>	<u>(172,177)</u>	<u>(3,129,800)</u>	<u>329,733</u>	<u>3,221,150</u>
<u>182,564,337</u>	<u>181,197,558</u>	<u>169,656,172</u>	<u>145,883,307</u>	<u>141,885,825</u>	<u>153,628,212</u>
6,285,253	6,255,350	5,574,203	5,105,314	-	-
-	-	-	-	4,888,988	4,984,322
1,405,841	1,438,130	1,284,105	962,656	914,858	978,744
34,180	40,239	29,506	12,877	17,570	20,170
-	-	-	-	-	32,564
-	12,036	70,178	-	-	-
<u>7,812,027</u>	<u>6,761,709</u>	<u>172,177</u>	<u>3,129,800</u>	<u>(329,733)</u>	<u>(3,221,150)</u>
<u>15,537,301</u>	<u>14,507,464</u>	<u>7,130,169</u>	<u>9,210,647</u>	<u>5,491,683</u>	<u>2,794,650</u>
<u>\$ 198,101,638</u>	<u>\$ 195,705,022</u>	<u>\$ 176,786,341</u>	<u>\$ 155,093,954</u>	<u>\$ 147,377,508</u>	<u>\$ 156,422,862</u>
\$ 18,671,914	\$ 28,574,266	\$ 21,034,087	\$ 14,920,757	\$ 6,217,782	\$ (27,530,574)
<u>(2,700,514)</u>	<u>(1,590,238)</u>	<u>(4,317,961)</u>	<u>(3,515,560)</u>	<u>265,754</u>	<u>4,738,601</u>
<u>\$ 15,971,400</u>	<u>\$ 26,984,028</u>	<u>\$ 16,716,126</u>	<u>\$ 11,405,197</u>	<u>\$ 6,483,536</u>	<u>\$ (22,791,973)</u>

**CITY OF MOBILE, ALABAMA
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Tax</u>	<u>Motor Fuels Tax</u>	<u>Room Tax</u>	<u>Alcoholic Beverage Tax</u>
2010	\$ 16,077,830	\$ 141,825,022	\$ 10,213,140	\$ 6,040,106	\$ 2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149
2008	14,938,843	140,470,973	7,775,814	5,239,745	2,027,597
2007	13,200,779	135,345,733	10,020,374	4,689,885	1,933,147
2006	12,834,026	142,430,882	10,054,815	4,883,060	2,000,960
2005	12,514,663	125,670,947	10,240,950	4,038,979	1,851,427
2004	11,483,033	110,299,805	9,576,652	2,147,609	1,738,397
2003	11,250,105	106,370,132	9,773,049	2,035,015	1,446,190
2002	10,778,874	107,721,408	9,887,274	2,164,859	1,479,985
2001	10,767,183	107,521,673	9,850,348	2,049,239	1,578,942

Note: Effective October 1, 2003, the City changed from a gross receipts tax to a sales tax.

<u>Rental and Leasing Tax</u>	<u>Tobacco Tax</u>	<u>Payment in Lieu of Taxes</u>	<u>Financial Excise Tax</u>	<u>Other Taxes*</u>	<u>Total</u>
\$ 5,699,115	\$ 2,832,815	\$ 32,501	\$ 79,224	\$ 72,554	\$ 185,068,774
4,104,708	2,709,570	36,470	1,320,726	4,517,562	175,544,642
4,430,951	2,622,785	35,212	-	4,228,853	181,770,773
6,638,181	2,673,688	30,735	1,286,414	118,514	175,937,450
6,573,934	2,711,856	39,468	1,681,486	145,708	183,356,195
5,817,366	2,694,188	44,088	676,323	112,828	163,661,759
5,312,377	2,610,819	39,395	1,359,800	99,429	144,667,316
6,019,106	771,869	39,395	-	-	137,704,861
6,184,240	727,935	74,002	-	-	139,018,577
6,525,032	775,379	62,548	-	-	139,130,344

**CITY OF MOBILE, ALABAMA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General fund				
Reserved	\$ 5,435,439	\$ 5,752,801	\$ 5,832,499	\$ 5,205,071
Unreserved	<u>8,444,256</u>	<u>(1,266,959)</u>	<u>11,035,656</u>	<u>12,993,274</u>
Total general fund	<u>\$ 13,879,695</u>	<u>\$ 4,485,842</u>	<u>\$ 16,868,155</u>	<u>\$ 18,198,345</u>
All other governmental funds				
Reserved	\$ 14,696,034	\$ 10,882,881	\$ 10,510,041	\$ 11,622,558
Unreserved, reported in:				
Capital projects funds	64,892,359	59,856,507	92,514,133	56,428,126
Debt service funds	<u>3,494,130</u>	<u>3,367,695</u>	<u>3,338,317</u>	<u>2,688,293</u>
Total all other governmental funds	<u>\$ 83,082,523</u>	<u>\$ 74,107,083</u>	<u>\$ 106,362,491</u>	<u>\$ 70,738,977</u>

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	(restated) <u>2002</u>	<u>2001</u>
\$ 4,689,693	\$ 5,174,935	\$ 3,882,731	\$ 2,971,512	\$ 2,875,792	\$ 3,570,622
<u>18,402,448</u>	<u>11,796,629</u>	<u>6,097,162</u>	<u>4,210,595</u>	<u>10,139,464</u>	<u>16,868,488</u>
<u>\$ 23,092,141</u>	<u>\$ 16,971,564</u>	<u>\$ 9,979,893</u>	<u>\$ 7,182,107</u>	<u>\$ 13,015,256</u>	<u>\$ 20,439,110</u>
\$ 5,793,041	\$ 5,520,833	\$ 2,697,375	\$ 2,571,322	\$ 4,762,746	\$ 3,313,747
72,006,529	42,678,174	43,412,545	45,369,844	53,714,582	73,923,236
<u>2,400,188</u>	<u>1,433,489</u>	<u>1,369,219</u>	<u>1,283,533</u>	<u>1,266,712</u>	<u>1,378,443</u>
<u>\$ 80,199,758</u>	<u>\$ 49,632,496</u>	<u>\$ 47,479,139</u>	<u>\$ 49,224,699</u>	<u>\$ 59,744,040</u>	<u>\$ 78,615,426</u>

CITY OF MOBILE, ALABAMA
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Taxes	\$ 186,728,761	\$ 174,810,707	\$ 181,770,773	\$ 174,536,999
Licenses and permits	35,887,762	37,000,838	36,321,711	34,637,574
Intergovernmental	199,992	1,548,996	539,578	1,730,873
Charges for services	8,184,608	8,167,239	9,850,027	9,764,293
Fines and forfeitures	4,724,902	4,691,317	4,968,281	4,547,176
State and federal assistance	17,168,956	6,502,302	8,306,569	7,460,888
Interest	301,811	1,056,562	3,150,147	4,786,183
Other	2,244,211	5,608,303	4,575,337	4,652,330
Total revenues	<u>255,441,003</u>	<u>239,386,264</u>	<u>249,482,423</u>	<u>242,116,316</u>
Expenditures				
General government	17,244,146	18,919,217	16,774,235	15,156,729
Economic development	946,081	1,008,755	903,138	996,402
Public safety	79,674,151	86,342,817	84,463,292	75,746,232
Public works	36,745,281	37,334,095	36,655,722	33,982,373
Culture and recreation	14,696,416	15,154,032	13,191,508	12,830,294
Finance	4,829,821	5,010,643	4,597,974	4,395,742
Nondepartmental	58,242,547	40,363,981	46,884,800	46,938,096
Capital outlay	22,269,823	45,338,810	46,840,175	36,810,657
Debt service				
Principal	7,104,607	12,020,851	46,944,636	12,556,427
Interest and fees	13,478,392	14,440,851	36,120,233	9,637,487
Total expenditures	<u>255,231,265</u>	<u>275,934,052</u>	<u>333,375,713</u>	<u>249,050,439</u>
Excess of revenue over (under) expenditures	209,738	(36,547,788)	(83,893,290)	(6,934,123)
Other Financing Sources (Uses)				
Proceeds from borrowing	84,775,000	569,000	148,390,000	3,930,000
Proceeds (payment) from refunding	(58,207,259)	-	-	-
Payments to escrow agent	-	-	-	-
Transfers in	32,058,663	32,984,026	56,126,848	41,185,247
Transfers out	(42,116,454)	(41,718,561)	(86,780,999)	(53,102,723)
Insurance recoveries	2,113	-	448,534	564,370
Premiums (discounts) on bonds issued	2,287,511	-	-	-
Bond Issuance Cost	(643,350)	-	-	-
Sale of general fixed assets	3,331	75,602	2,233	2,652
Total other financing sources (uses)	<u>18,159,555</u>	<u>(8,089,933)</u>	<u>118,186,616</u>	<u>(7,420,454)</u>
Net change in fund balance	<u>\$ 18,369,293</u>	<u>\$ (44,637,721)</u>	<u>\$ 34,293,326</u>	<u>\$ (14,354,577)</u>
Debt service as a percentage of noncapital expenditures	8.82 %	11.48 %	28.99 %	10.61 %

	2006	2005	2004	2003	2002	2001
\$	181,520,268	\$ 162,867,988	\$ 143,212,780	\$ 137,704,861	\$ 139,018,577	\$ 139,130,344
	31,928,461	29,365,388	27,454,522	26,656,919	26,405,321	26,880,488
	2,242,992	1,076,162	1,733,778	728,280	294,829	692,041
	9,722,612	8,691,951	8,822,692	6,371,405	6,704,404	6,445,979
	3,573,552	3,177,332	3,377,271	3,573,210	3,258,769	3,254,660
	12,712,656	13,472,562	6,102,734	5,429,644	2,706,022	3,210,900
	2,914,890	1,224,720	549,682	888,848	1,594,253	5,909,888
	1,481,766	4,287,774	3,342,784	1,621,789	3,760,469	9,039,739
	<u>246,097,197</u>	<u>224,163,877</u>	<u>194,596,243</u>	<u>182,974,956</u>	<u>183,742,644</u>	<u>194,564,039</u>
	14,781,181	14,382,821	13,397,019	11,665,659	12,150,695	10,913,546
	714,758	800,771	818,305	886,056	963,459	908,000
	69,966,349	67,849,441	64,386,318	64,444,891	69,012,864	63,352,719
	32,858,243	31,394,476	28,890,302	27,427,242	28,414,539	26,839,772
	11,331,104	11,215,110	10,519,569	8,400,232	8,715,623	8,057,244
	4,295,572	4,112,383	3,890,413	3,911,753	4,492,412	4,160,579
	51,929,138	46,402,180	39,403,235	41,032,941	40,820,701	37,526,250
	20,300,611	21,688,401	16,977,026	22,443,462	39,421,934	46,500,212
	13,261,003	9,364,428	8,437,064	11,684,709	12,640,070	21,767,505
	8,887,309	8,643,848	8,537,613	8,914,939	8,536,082	4,753,208
	<u>228,325,268</u>	<u>215,853,859</u>	<u>195,256,864</u>	<u>200,811,884</u>	<u>225,168,379</u>	<u>224,779,035</u>
	17,771,929	8,310,018	(660,621)	(17,836,928)	(41,425,735)	(30,214,996)
	1,800,000	2,763,710	5,925,000	3,622,429	13,415,597	31,669,860
	63,410,000	-	-	-	65,725,000	-
	(37,722,873)	-	-	-	(66,525,000)	(26,606,401)
	44,794,015	48,194,093	49,313,834	44,985,268	53,853,596	67,699,976
	(55,805,630)	(51,744,152)	(51,992,311)	(47,150,658)	(53,999,180)	(68,726,927)
	1,166,236	-	-	-	-	-
	1,190,117	-	-	-	-	-
	-	-	-	-	-	-
	<u>84,045</u>	<u>44,359</u>	<u>43,324</u>	<u>27,399</u>	<u>36,066</u>	<u>57,245</u>
	<u>18,915,910</u>	<u>(741,990)</u>	<u>3,289,847</u>	<u>1,484,438</u>	<u>12,506,079</u>	<u>4,093,753</u>
\$	<u>36,687,839</u>	<u>\$ 7,568,028</u>	<u>\$ 2,629,226</u>	<u>\$ (16,352,490)</u>	<u>\$ (28,919,656)</u>	<u>\$ (26,121,243)</u>
	10.95 %	9.61 %	9.73 %	11.87 %	11.85 %	14.99 %

**CITY OF MOBILE, ALABAMA
VALUE OF TAXABLE SALES
LAST SEVEN¹ FISCAL YEARS**

Fiscal Year Ended September 30	Value of Taxable Sales- General Sales Tax (in millions)	Direct Tax Rate- General Sales Tax
2010	\$ 2,853	5.0%
2009	2,728	4.0%
2008	2,910	4.0%
2007	2,166	4.0%
2006	2,152	4.0%
2005	2,062	4.0%
2004	1,813	4.0%

¹Only years available

**CITY OF MOBILE, ALABAMA
SALES TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Mobile ¹					City of Mobile Police Jurisdiction ²				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2010	5.000%	2.250%	2.250%	2.250%	5.000%	2.500%	1.125%	1.125%	1.125%	2.500%
2009	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2008	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2007	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2006	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2005	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2004	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2003	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2002	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2001	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%

Source: Alabama Department of Revenue

¹Overlapping rates are those of local and county governments that apply to sales in common geographical areas.

²Tax increases effective June 1, 2010.

³The City collects sales and use tax revenues on sales made within the City of Mobile Police Jurisdiction, located outside of the City's limits and within Mobile County.

Overlapping Rates

Mobile County ³					Total Direct and Overlapping Rates				
General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
1.500%	1.000%	1.500%	1.500%	1.500%	6.000%	2.750%	3.250%	3.250%	6.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%
1.500%	1.000%	1.500%	1.500%	1.500%	5.000%	2.500%	3.000%	3.000%	5.000%

**CITY OF MOBILE, ALABAMA
PRINCIPAL SALES TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2010		2001	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	3.64%	3	3.18%
Wal-Mart #853	2	3.17%	2	3.42%
Wal-Mart #991	3	2.70%	8	1.79%
Sams Wholesale	4	2.42%	1	3.45%
Target	5	1.51%		
Best Buy	6	1.39%		
Wal-Mart #5174	7	1.24%		
Lowe's #549	8	1.20%		
Lowe's Home Center	9	1.19%		
Lowe's #212	10	1.18%	5	2.11%
Sears			4	2.61%
McConnell Auto			6	1.93%
Dillard			7	1.85%
Home Depot #865			9	1.58%
Treadwell Ford			10	1.50%
Totals		<u>19.64%</u>		<u>23.42%</u>

Source: City of Mobile Revenue Department

CITY OF MOBILE, ALABAMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property
	Residential Property	Commercial Property	Motor Vehicles	Other	
2010	\$ 633,841,820	\$ 1,165,905,120	\$ 206,483,760	\$335,177,320	\$68,216,780
2009	643,869,600	1,180,581,160	231,378,520	325,416,280	67,818,840
2008	628,768,700	1,131,989,640	243,601,600	308,008,300	66,816,900
2007	587,342,300	874,409,560	265,979,820	245,266,880	68,678,920
2006	509,203,420	866,730,580	243,609,900	246,235,260	48,288,160
2005	481,963,100	839,232,940	219,470,040	254,434,700	47,304,180
2004	473,294,640	814,882,360	249,635,960	256,324,340	45,358,180
2003	417,991,000	782,168,820	212,153,500	249,508,000	34,489,340
2002	*	*	*	*	*
2001	*	*	*	*	*

*Data not available

Source: Mobile County Revenue Commissioner

Note: Property in the county is reassessed annually. Estimated actual value is calculated by dividing assessed value by those percentages.

¹Includes tax-exempt property.

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value¹ as a Percentage of Actual Value</u>
\$ 2,273,191,240	7 mills	\$ 12,058,815,266	19.42 %
2,313,426,720	7 mills	12,420,469,867	19.17 %
2,245,551,340	7 mills	12,191,259,500	18.97 %
1,904,319,640	7 mills	12,012,219,333	16.42 %
1,817,491,000	7 mills	10,723,840,500	17.40 %
1,747,796,600	7 mills	11,703,335,996	15.34 %
1,748,779,120	7 mills	11,693,749,299	15.34 %
1,627,331,980	7 mills	11,267,370,642	14.75 %
1,629,603,960	7 mills	11,064,269,975	14.73 %
1,507,445,520	7 mills	11,299,236,604	13.34 %

**CITY OF MOBILE, ALABAMA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Overlapping Rates</u>			<u>Total Direct & Overlapping Rates</u>
	<u>City of Mobile Total City Millage</u>	<u>County of Mobile Total County Millage</u>	<u>Mobile County School District Total School Millage</u>	
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5
2008	7	16	29.5	52.5
2007	7	16	29.5	52.5
2006	7	16	29.5	52.5
2005	7	16	29.5	52.5
2004	7	16	29.5	52.5
2003	7	16	29.5	52.5
2002	7	16	29.5	52.5
2001	7	16	29.5	52.5

Source: Mobile County Revenue Commissioner

¹Overlapping rates are those of local and county governments that apply to property owners within the City of Mobile.

A twelve (12) mill property tax increase for schools was approved by the voters in 2001.

**CITY OF MOBILE, ALABAMA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation
Alabama Power Company	\$ 267,855,220	1	5.20 %	\$ 92,349,640	1	10.86 %
ThyssenKrupp Steel	406,191,600	2	2.45 %			
Gulf Stream Natural Gas System	68,072,820	3	4.85 %			
Florida Gas Transmission	47,093,800	4	4.85 %			
Bell South DBA AT&T Alabama	37,517,800	5	5.80 %	45,149,320	3	5.83 %
Kimberly Clark Corporation	34,471,760	6	5.78 %	34,091,620	2	6.06 %
Mobile Gas Service Corporation	33,696,000	7	5.74 %	25,631,120	6	5.71 %
Southeast Supply Header	30,000,000	8	4.85 %			
SSAB Alabama Inc.	36,382,760	9	3.60 %			
Evonik Degussa Corporation	29,512,000	10	4.23 %	31,530,540	5	4.47 %
International Paper Company				26,362,880	4	5.78 %
Exxon, Corp.				17,598,500	7	4.86 %
Colonial Realty Limited				16,224,300	8	5.80 %
Phenolchemie Inc.				37,079,820	9	2.49 %
Mobile Energy, LLC				14,103,000	10	6.37 %
Totals	<u>\$ 990,793,760</u>		<u>3.67 %</u>	<u>\$ 340,120,740</u>		<u>6.69 %</u>

Source: Mobile County Revenue Commissioner

**CITY OF MOBILE, ALABAMA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2010	\$ 13,177,824	*	*
2009	13,614,847	\$ 12,854,087	94.41
2008	13,136,355	12,810,663	97.52
2007	12,430,360	12,193,226	98.09
2006	10,899,543	10,700,744	98.18
2005	10,473,789	10,281,664	98.17
2004	10,255,078	10,005,488	97.57
2003	9,883,960	8,945,606	90.51
2002	10,015,923	9,829,314	98.14
2001	9,092,716	9,014,930	99.14

*Data not available

Source: Mobile County Revenue Commissioner

Collection in Subsequent Years	Total Collection to Date	
	Amount	Percentage of Levy
*	*	*
-	\$ 12,854,087	94.41
-	12,810,663	97.52
-	12,193,226	98.09
-	10,700,744	98.18
-	10,281,664	98.17
-	10,005,488	97.57
-	8,945,606	90.51
-	9,829,314	98.14
-	9,014,930	99.14

**CITY OF MOBILE, ALABAMA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Governmental Activities</u>			
	<u>General</u>	<u>Limited</u>		
	<u>Obligation Bonds</u>	<u>Obligation Bonds</u>	<u>Notes Payable</u>	<u>Capital Leases</u>
2010	\$ 300,138,191	\$ 8,545,000	\$ 1,360,000	\$ 3,641,054
2009	275,867,172	9,000,000	1,580,000	2,462,037
2008	283,890,000	9,440,000	1,790,000	5,660,073
2007	178,646,500	9,860,000	1,980,000	7,625,028
2006	185,056,754	10,265,000	2,160,000	9,576,004
2005	167,983,067	10,655,000	2,325,000	9,889,815
2004	175,177,814	10,655,000	2,475,000	9,502,800
2003	182,291,559	10,655,000	1,750,000	5,924,503
2002	192,999,006	10,655,000	1,595,000	3,719,450
2001	172,414,353	-	1,780,000	2,160,062

*Data not available

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

¹See the Schedule of Demographic and Economic Statistics on pages 162 - 163 for personal income and population data.

Business Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
Capital Leases				
\$ 695,707	\$ 314,379,952	*	\$ 763	
852,545	289,761,754	2.52%	712	
1,003,091	301,783,164	2.45%	743	
1,211,680	199,323,208	1.73%	495	
1,393,250	208,451,008	1.86%	516	
1,567,401	192,420,283	1.90%	481	
1,546,520	199,357,134	2.09%	499	
47,441	200,668,503	2.19%	501	
88,946	209,057,402	2.35%	519	
128,715	176,483,130	2.00%	440	

**CITY OF MOBILE, ALABAMA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2010	\$ 300,138,191	\$ 3,494,130	\$ 296,644,061	2.46 %	720
2009	275,867,112	3,367,694	272,499,418	2.19 %	670
2008	283,890,000	3,338,316	280,551,684	2.30 %	690
2007	178,646,500	2,688,196	175,958,304	1.46 %	437
2006	185,056,754	2,400,188	182,656,566	1.70 %	452
2005	167,983,067	1,433,489	166,549,578	1.42 %	417
2004	175,177,814	1,369,219	173,808,595	1.49 %	435
2003	182,291,559	1,283,533	181,008,026	1.61 %	452
2002	192,999,006	1,266,716	191,732,290	1.73 %	476
2001	172,414,353	1,378,443	171,035,910	1.51 %	426

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 150-151 for property value of data.

²Population data can be found in the Schedule of Demographic and Economic Statistics on page 163-164.

**CITY OF MOBILE, ALABAMA
DIRECT AND OVERLAPPING GOVERNMENT DEBT
AS OF SEPTEMBER 30, 2010**

<u>Government Unit</u>	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 402,921,286	48 %	<u>\$ 193,891,640</u>
Subtotal, overlapping debt			193,891,640
City of Mobile Direct Debt	305,189,061	100 %	<u>305,189,061</u>
Total direct and overlapping debt			<u><u>\$ 499,080,701</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Mobile County Commissioner's Office. Debt outstanding data provided by the County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mobile. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**CITY OF MOBILE, ALABAMA
LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2010	2009	2008	2007
Debt Limit	\$ 468,281,604	\$ 476,249,112	\$ 462,473,648	\$ 394,599,712
Less: Total net debt applicable to limit	255,534,378	229,861,239	239,875,431	171,439,425
Legal debt margin	<u>\$ 212,747,226</u>	<u>\$ 246,387,873</u>	<u>\$ 222,598,217</u>	<u>\$ 223,160,287</u>
Total net debt applicable to the limit as a percentage of debt limit	54.6 %	48.3 %	51.9 %	43.4 %

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value of real property, September 30, 2010	\$ 1,799,746,940
Assessed value of personal property, September 30, 2010	<u>541,661,080</u>
Total assessed value	<u>\$ 2,341,408,020</u>
Debt Limit (20% of total assessed value)	\$ 468,281,604
Less: Total net debt applicable to limit	<u>255,534,378</u>
Legal debt margin	<u>\$ 212,747,226</u>

Note: Under state finance law, the City of Mobile's outstanding general obligation debt should not exceed 20 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Excludes general obligation warrants applicable to drainage improvements.

Fiscal Year

2006	2005	2004	2003	2002	2001
\$ 373,155,832	\$ 358,670,228	\$ 349,755,824	\$ 325,466,396	\$ 325,920,792	\$ 301,489,104
181,386,101	171,891,345	172,289,655	173,130,826	181,163,369	159,414,187
<u>\$ 191,769,731</u>	<u>\$ 186,778,883</u>	<u>\$ 177,466,169</u>	<u>\$ 152,335,570</u>	<u>\$ 144,757,423</u>	<u>\$ 142,074,917</u>
48.6 %	47.9 %	49.3 %	53.2 %	55.6 %	52.9 %

**CITY OF MOBILE, ALABAMA
 PLEDGED-REVENUE COVERAGE
 LAST EIGHT² FISCAL YEARS**

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
	Tax Increment	Principal	Interest
2010	\$ 2,172,723	\$ 455,000	\$ 468,184
2009	2,133,818	440,000	487,878
2008	1,778,031	420,000	506,163
2007	1,416,398	405,000	522,876
2006	1,371,461	390,000	538,090
2005	1,283,642	¹	545,305
2004	960,200	¹	545,296
2003	760,616	¹	545,430

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

¹No principal payments were scheduled in this period.

²This debt was issued in 2002.

**CITY OF MOBILE, ALABAMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (amounts expressed in millions)</u>	<u>Per Capital Personal Income</u>
2010	411,940	*	*
2009	406,928	11,512	28,290
2008	406,309	12,330	30,346
2007	403,000	11,540	28,635
2006	404,111	11,235	28,080
2005	399,727	10,127	25,227
2004	399,635	9,539	23,840
2003	400,300	9,160	22,916
2002	402,539	8,905	22,135
2001	401,108	8,810	22,004

*Data not available

Source: Mobile Chamber of Commerce

Note: All statistical data presented above are for the County of Mobile as the City of Mobile comprises the majority of the county.

<u>Median Age</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
36.0	2 years of college	67,230	10.8%
36.1	High School Graduate	63,914	9.9%
35.9	High School Graduate	63,657	4.7%
35.3	High School Graduate	65,614	3.7%
35.7	High School Graduate	65,345	3.3%
35.3	High School Graduate	64,818	4.8%
35.1	High School Graduate	65,340	6.5%
34.4	High School Graduate	64,159	7.0%
34.3	High School Graduate	65,223	6.7%
34.3	High School Graduate	65,013	6.0%

**CITY OF MOBILE, ALABAMA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,960	1	4.88 %	8,818	1	4.84 %
Infirmiry Health Systems	5,520	2	3.38 %	3,860	3	2.12 %
Univ. of So. Alabama and USA Medical	5,300	3	3.25 %	5,102	2	2.80 %
WalMart	2,900	4	1.78 %			
City of Mobile	2,200	5	1.35 %	2,500	4	1.37 %
Providence Hospital	2,030	6	1.24 %	1,510	6	0.83 %
Austal USA	1,800	7	1.10 %	-	-	- %
Mobile County	1,570	8	0.96 %	1,700	5	0.93 %
ST Aerospace Mobile	1,400	9	0.86 %	1,200	8	0.66 %
Springhill Medical Center	1,130	10	0.69 %	\$ 1,210	\$ 7	0.66 %
West Teleservices				1,150	9	0.63 %
Ciba Specialty Chemicals				1,100	10	0.60 %
Totals	31,810		19.49 %	28,150		15.44 %

Source: Mobile Chamber of Commerce

**CITY OF MOBILE, ALABAMA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 AS OF SEPTEMBER 30**

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function					
General government	190	197	189	196	184
Economic development	14	13	12	13	7
Public safety	1,327	1,312	1,307	1,273	1,178
Public works	576	575	553	585	512
Cultural and recreation	303	317	294	325	323
Finance	93	91	88	91	90
Golf course	20	28	28	17	27
Firemedics	71	66	61	59	58
Tennis Center	10	10	10	7	11
Motor Pool	3	3	3	3	3
Total	<u>2,607</u>	<u>2,612</u>	<u>2,545</u>	<u>2,569</u>	<u>2,393</u>

Source: City Payroll Department

*The method of calculating full-time equivalent employees was changed for year end September 30, 2010 to more accurately reflect full-time equivalent employees.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
173	173	179	186	188
10	12	16	16	16
1,190	1,212	1,200	1,229	1,230
547	582	583	591	588
276	288	287	289	282
87	88	86	94	96
30	28	25	27	22
60	57	52	58	59
11	10	12	12	13
3	3	3	3	3
<u>2,387</u>	<u>2,453</u>	<u>2,443</u>	<u>2,505</u>	<u>2,497</u>

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST FIVE¹ FISCAL YEARS**

Function	2010	2009	2008	2007	2006
General Government					
Urban Development					
Service request orders	14,901	12,374	10,525	12,264	10,887
Municipal offense tickets	2,023	1,722	1,883	1,811	1,550
Inspections/investigations	33,760	30,749	48,626	57,494	50,838
Plan reviews	3,315	5,191	6,094	3,576	3,720
Plan reviews-Right of Way	2,293	2,850	3,238	3,815	*
Notice of violations	7,974	6,292	6,735	5,820	*
Permits	16,384	11,787	13,808	16,940	16,871
Certificate of Occupancy	458	560	507	793	290
PC/BOA applications	483	700	1,282	1,260	608
Tree commission applications	25	27	16	29	40
Complete nuisance abatement cases	63	39	26	35	20
Complete weed abatement cases	540	660	410	480	160
Removal of trees	415	371	499	294	266
Trimming removal	7,612	4,557	1,813	806	665
Stump removal	238	221	366	381	406
Mobile Human Resources Department²					
Medical claims	226	265	290	298	236
Indemnity claims	51	29	24	34	37
Total claims	277	294	314	332	273
Mobile 311					
Calls	116,030	110,655	110,168	100,234	72,126
SROs created	64,147	60,345	55,644	51,725	36,348
Municipal Information Technology & Telecommunications					
Buildings with computer equipment	180	175	170	166	155
Miles of fiber	920	820	810	800	560
Wireless sites	22	20	25	35	45
Computer user accounts	2,750	2,680	2,850	2,821	2,407
Email accounts	2,200	2,203	2,050	1,810	1,576
Voicemail accounts	1,735	1,584	1,545	1,285	1,311
Computers/printers supported	2,600	2,496	2,450	2,397	2,302
Servers supported	90	90	75	60	81
800Mhz subscribers	1,906	1,906	1,906	1,906	1,906
City phone extensions	2,267	2,544	2,442	2,475	2,351
Broadband Data Cards	103	102	97	86	69
Software applications supported	408	391	375	342	*
MIT Help Desk Cases	3,917	5,331	5,209	5,040	*
Number of employees trained	599	889	510	620	*
Cell phones	331	340	307	244	210
Telecom Help Desk Requests	1,995	2,302	2,952	2,674	2,906
Economic Development					
Mobile Historic Development Commission					
Applications reviewed	469	433	584	597	577
Certificates issued	440	391	543	526	469
Applications heard by review board	111	158	226	226	108
Applications denied	11	16	7	24	14
Public Safety					
Mobile Police Department					
Crime incidents:					
Murder (or Non-Neg Manslaughter)	20	27	35	34	31
Murder domestic	2	2	3	6	3

CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST FIVE¹ FISCAL YEARS

Function	2010	2009	2008	2007	2006
Negligent manslaughter	-	-	-	2	1
Forcible rape	52	30	22	30	54
Carjacking	60	73	68	59	46
Robbery	686	775	833	639	601
Aggravated assault	1,035	301	311	370	398
Burglary	3,882	3,493	3,182	3,416	3,349
Larceny	9,889	9,555	9,707	9,749	9,655
Vehicle theft	1,267	972	1,192	1,278	1,432
Arson	58	56	78	89	56
Simple Assault	1,171	5,639	5,822	5,929	6,230
Sex offenses	234	233	275	266	294
Narcotics Laws	3,388	3,096	3,059	3,115	3,189
Weapons Offence	398	400	383	354	352
Forgery-counterfeiting	395	382	652	623	623
D.U.I.	570	478	589	565	472
All Other Offenses	35,262	31,223	33,085	33,885	34,512
Total Tickets					
Following too close	101	129	118	57	45
Run red light	2,221	2,105	2,765	2,165	1,994
Run stop sign	2,143	1,971	2,251	1,097	1,148
Speeding	11,472	12,774	15,500	12,234	9,314
Speeding in school zone	325	255	218	183	132
Mobile Fire Rescue Department					
Total calls answered	35,713	34,248	31,712	30,579	25,588
Inspections	7,177	695	641	872	658
Plans reviewed	806	1,619	3,854	871	196
Permits issued	555	1,331	1,265	1,191	350
Mobile Municipal Court					
Total cases processed	72,230	67,571	76,578	69,951	57,772
Domestic violence cases	1,642	1,485	1,567	1,698	1,691
Environmental cases	3,977	3,285	4,311	2,614	2,610
Traffic cases	56,823	52,590	61,096	56,363	43,489
Criminal cases	9,788	10,211	9,604	9,276	9,982
Public works					
Flood Control					
Debris removed (cubic yards)	240	1,720	180	940	18,120
Work on ditches (miles)	28	30	36	32	141
Administration					
Disciplinary actions processed	385	320	102	152	175
Claims/reports processed	103	147	117	100	106
Concrete and sidewalk repair					
Concrete poured	2,919	4,114	5,305	3,238	2,342
Repairs	520	1,193	886	1,049	881
Replacements	39	507	526	540	522
Right-of-way maintenance					
Material hauled (cubic yards)	37,880	55,341	40,572	47,654	20,845
Material used (cubic yards)	9,220	9,450	8,845	9,930	7,825
Repairs	207	244	320	261	126
Asphalt street repair					
Asphalt used (tons)	1,466	2,402	2,376	3,152	2,467

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST FIVE¹ FISCAL YEARS**

Function	2010	2009	2008	2007	2006
Repairs	19,087	18,925	17,801	21,332	21,376
Street Sweeping					
Miles sweeper swept	17,400	16,400	17,623	18,319	19,260
Debris removed (cubic yards)	14,807	14,304	17,460	17,697	20,310
Water used (gallons)	276,397	299,604	369,640	467,000	840,000
Dredge					
Material dredged/removed (cubic yards)	24,344	15,035	25,130	49,650	46,809
Storm drain and heavy equipment					
Drains cleaned	4,224	5,387	4,455	3,506	4,859
Material hauled (cubic yards)	15,744	16,188	5,472	11,488	13,458
Solid waste					
Waste removal (tons)	56,306	55,972	56,647	58,235	58,734
Other waste removal	93 (ton)	68.27(ton)	57(ton)	227(ton)	61,800 (cy)
Special events	199	245	242	160	560
Carcass removal	4,986	5,525	6,925	7,588	4,512
Trash division					
Trash picked up	191,300	201,900	231,900	264,602	333,285
Pay pile loads	600	526	896	977	610
Environmental Response Crew					
Collections (gallons)	1,240	805	1,442	1,338	4,643
Other collections (yards)	-	-	-	13	-
Cleaned (feet)	35,665	34,805	19,555	19,707	6,285
Culture and Recreation					
Museum of Mobile					
Total admissions	80,414	92,483	87,815	201,629	39,598
Mobile Public Library					
Items circulated	1,979,929	2,121,584	1,975,446	1,830,942	1,739,028
Customer visits	1,441,980	1,469,049	1,369,611	1,264,125	1,123,116

¹ Only years available

²2006-2008 data restated per information from the Human Resource Department.

*Data not available

Source: Various City Departments

**CITY OF MOBILE, ALABAMA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST FIVE¹ FISCAL YEARS**

Function	2010	2009	2008	2007	2006
Streets and Highways					
Paved	1,263.3	1,262.5	1,261.5	1,179.7	1,164
Unimproved	21.8	21.8	20.9	15.8	13
Traffic Signals	431	452	452	398	283
Street Lights	4,922	4,922	4,922	4,922	4,893
Public Safety					
Police					
Precincts and Mini-Precincts	8	9	10	10	8
Fire					
Number of Stations	20	20	20	19	17
Culture and Recreation					
Number of Parks	91	91	89	68	67
Parks Acreage	1,740	1,740	1,740	1740**	1740**
Swimming Pools	7	7	7	6	6
Tennis Courts	97	97	97	97	87
Community Centers	17	17	17	16	16
Motor Pool					
Number of Sanitation Collection Trucks	36	48	34	31	*

*Information not available

¹Only years available

**Fiscal year 2007 and 2006 information restated. More accurate method of measuring acreage implemented in 2008.

Source: Various City Departments