

**CITY OF MOBILE, ALABAMA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2011

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, 2011**

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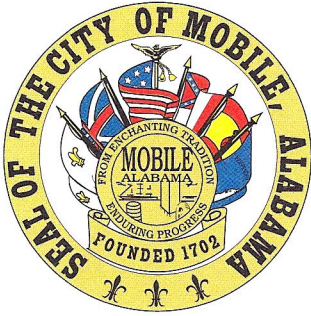
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SAMUEL L. JONES  
MAYOR

# 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 28, 2012

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, 2011 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, Mobile Personnel Board, and Juvenile Court and Youth Center 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 2).

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.

## **Factors Affecting Financial Condition**

The information presented in the financial statement is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Many factors affect the City's financial strength and operations, including the national economy, spending by the agencies based in Mobile, local economic development, quality of local education systems and effectiveness of City management of its use of resources.

## **ECONOMIC CONDITION**

The economic slowdown that began in 2008 has continued through to 2011. To counter the City's ability to thrive in the present economy, a temporary one-cent sales tax was levied for the period June 1, 2010 through September 30, 2011. Sales and use taxes are the City's largest revenue source. Despite lower consumer spending we had those additional sales tax collections. In spite of the additional revenue we were collecting, the City continued to monitor and reduce cost of both personnel and operations during the sixteen month period.

The City's aggressive economic development efforts have had a significant effect on the City's revenues, as well as providing some relief from the conditions that have plagued all government units. Economic development planning that focuses far into the future has helped promote stability through business diversification. Six Mobile businesses made *Inc.'s List of Fast-Growing Companies*. During the past three years these local businesses increased revenue by \$58.6 million and brought nearly 300 new jobs to the area. Despite the efforts, business licenses decreased from 2010 and the unemployment rate rose to more than ten percent. Yet, the value of building permits more than doubled.

With the efforts made, Mobile was named "Comeback Kid" by South Business and Development, made the top ten list of "Top Logistics/Distribution and Shipping Hubs" in *Business Facilities'* 2011 Metro Ranking Report and fDi magazine ranked Mobile No. 10 among small cities in its "American Cities of the Future 2011/2012."

In summary, the local economic outlook for upcoming years appears positive, but serious near-term financial challenges remain due to the recession's affect on City resources. The demand for public services, operating and spending requirements will continue to exert pressure on budgetary resources. The City will also experience growing pressure from increasing pension contributions and the rising cost of active and retiree health care benefits. City leaders must continue to be diligent and conservative when planning and prioritizing spending in 2012 and 2013 because of budgetary constraints.

## Management of City Resources

**Long-term capital 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. We continue to maintain our ratings despite the uncertainty of the economy.



## 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, 2011 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 \$815,000 at September 30, 2011 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 \$8 million at September 30, 2011 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.12 million is reported in the Employee Health Plan Fund (Internal Service Fund).

Operation Efficiency. Mayor Jones has continually challenged all City departments to improve their operations and the quality of citizen services, which was effective as personnel and operating costs in 2011 were generally lower than budgeted costs and also lower than those of the previous year. The CitiSmart process has helped to remind department heads of their responsibilities to the citizens by setting goals for service and holding the departments to meet their goals.

Pension and Other Postemployment Benefits. The cost of providing benefits to City retirees is a significant commitment of current and future resources. The City pays 100% of benefit costs after employee contributions and plan earnings. The City has met all of its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions. These costs have risen and

are expected to continue to rise without some modifications to the plan.

## **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,

A handwritten signature in cursive script that reads "Barbara S. Malkove".

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, 2010

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.



*Linda C. Dandson*

President

*Jeffrey R. Emery*

Executive Director



**CITY OF MOBILE, ALABAMA**

**LIST OF PRINCIPAL OFFICIALS**

**SEPTEMBER 30, 2011**

<b>TITLE</b>	<b>NAME</b>
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	Bess Rich
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, 2011, 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 3.2%, 6.0% and 3.6%, 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, 2011, 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

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In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2012, 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 16 and 85 through 89 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 as a whole. 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 nonmajor 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

March 28, 2012

Bank, Finley 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, 2011. 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 \$388.1 million (net assets). Of this amount the City had a deficit in unrestricted net assets of \$84.1 million offset by \$19.2 million in restricted net assets and \$453.1 million in capital assets net of related debt.
- ◆ The City's total net assets decreased \$9.5 million, or 2.40%, as a result of this year's operations. While net assets of our governmental activities decreased \$7.2 million, or 2.50%, the net assets of our business-type activities decreased \$2.36 million, or 2.13%.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$110.2 million. This was an increase of \$13.2 million or 13.7% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General fund was \$35.5 million, an increase of 155.4% from the prior year.
- ◆ The City had one bond issue during the fiscal year. On July 20, 2011 the City issued General Obligation Private Placement Warrant in the principal amount of \$13,715,000 for the purpose of refunding the City's outstanding General Obligation Warrants, Series 2001, financing certain capital improvements for use by the City (paying certain costs of the completion of the maritime museum) and paying the costs of issuing such a warrant.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$21.6 million or 14.4% from the prior year primarily due to a one cent sales tax increase that was implemented June 1, 2010. This increase 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 17 - 19) 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 20. 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 37.

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 85.

## **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 taxes, business license fees, 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 2.

## **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 \$388.1 million. This is a \$9.5 million decrease over last year's net assets of \$397.6 million. The following table provides a summary of the City's net assets:

	<b>City of Mobile, Alabama</b>							
	<b>Summary of Net Assets</b>							
	<b>(dollars are in thousands)</b>							
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2011	2010	2011	2010	2011	2010		
Current and other assets	\$ 134,858	\$ 114,370	\$ 13,668	\$ 12,844	\$ 148,526	\$ 127,214	\$ 21,312	16.75 %
Capital assets	621,955	607,845	103,284	106,566	725,239	714,411	10,828	1.52 %
Total assets	<u>\$ 756,813</u>	<u>\$ 722,215</u>	<u>\$ 116,952</u>	<u>\$ 119,410</u>	<u>\$ 873,765</u>	<u>\$ 841,625</u>	<u>\$ 32,140</u>	3.82 %
Long-term liabilities	\$ 441,908	\$ 397,994	\$ 943	\$ 855	\$ 442,851	\$ 398,849	\$ 44,002	11.03 %
Other liabilities	35,550	37,699	7,283	7,467	42,833	45,166	(2,333)	(5.17)%
Total liabilities	<u>477,458</u>	<u>435,693</u>	<u>8,226</u>	<u>8,322</u>	<u>485,684</u>	<u>444,015</u>	<u>41,669</u>	9.38 %
Net assets:								
Invested in capital assets, net of related debt	350,323	352,295	102,752	105,871	453,075	458,166	(5,091)	(1.11)%
Restricted	19,154	15,517	-	-	19,154	15,517	3,637	23.44 %
Unrestricted	<u>(90,122)</u>	<u>(81,290)</u>	<u>5,974</u>	<u>5,217</u>	<u>(84,148)</u>	<u>(76,073)</u>	<u>(8,075)</u>	10.61 %
Total net assets	<u>279,355</u>	<u>286,522</u>	<u>108,726</u>	<u>111,088</u>	<u>388,081</u>	<u>397,610</u>	<u>(9,529)</u>	(2.40)%
Total liabilities and net assets	<u>\$ 756,813</u>	<u>\$ 722,215</u>	<u>\$ 116,952</u>	<u>\$ 119,410</u>	<u>\$ 873,765</u>	<u>\$ 841,625</u>	<u>\$ 32,140</u>	3.82 %

The largest portion of the City's net assets (116.7%) 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 (4.9%) 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 \$90.1 million for governmental activities. This deficit arose mainly because of a sluggish economy and the way the City is required to account for its other post-employment benefits (OPEB). The City has elected to fund its OPEB obligation on a pay as you go basis. In addition to paying annual claims as they arise, the City is required to record the expense related to the increase in the accrual of the net OPEB obligation as actuarially determined. The combined total OPEB expense (the combination of the expense for annual paid claims and the expense for the increase in the accrual) reduces the amount of unrestricted net assets for the year. The OPEB expense for the City of Mobile is substantial and increased by \$26.5 million during the current fiscal year. Although budget cuts were implemented during the year and sales tax revenue increased, due to the additional one-cent sales tax being levied, the deficit continued to increase.

Also, the unrestricted net assets for business-type activities show a balance of \$6.0 million which is a \$0.8 million increase over the prior year. This slight increase is due primarily to the operation of the cruise terminal. As of October 22, 2011 the cruise ship stationed in Mobile will be transferred and the City is investigating alternative uses for the terminal.

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

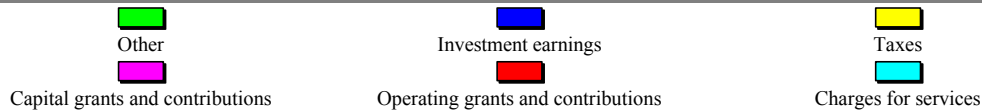
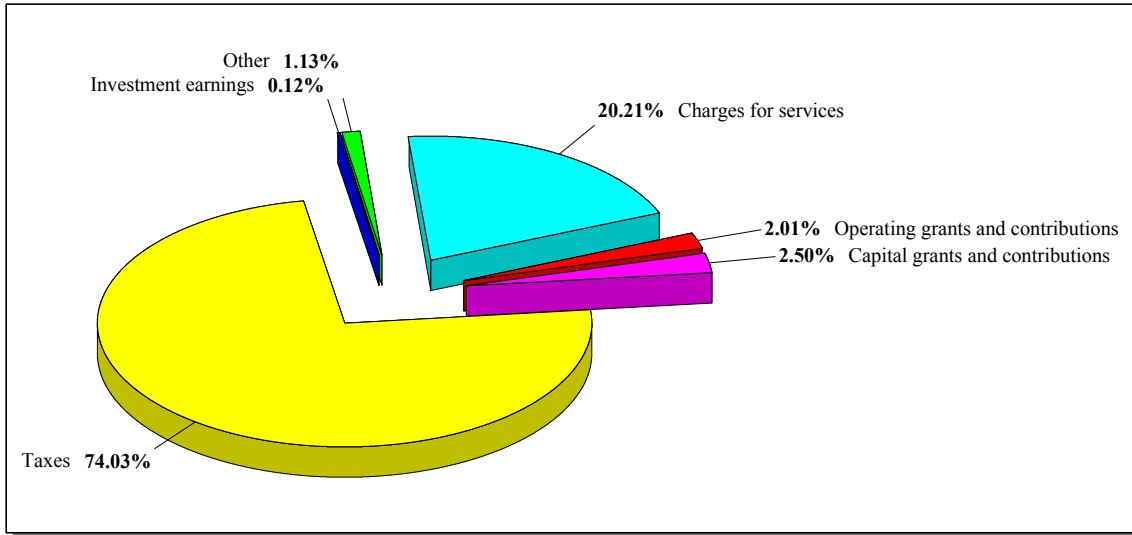
**City of Mobile, Alabama**  
**Summary of Changes in Net Assets**  
(dollars are in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2011	2010	2011	2010	2011	2010		
Program Revenues:								
Charges for services	\$ 56,153	\$ 55,930	\$ 13,500	\$ 14,925	\$ 69,653	\$ 70,855	\$ (1,202)	(1.70)%
Operating grants and contributions	5,595	12,691	355	7,789	5,950	20,480	(14,530)	(70.95)%
Capital grants and contributions	6,957	4,520	4,234	-	11,191	4,520	6,671	147.59 %
General revenues:								
Taxes	205,680	185,069	10,080	10,377	215,760	195,446	20,314	10.39 %
Investment earnings	337	301	4	3	341	304	37	12.17 %
Other	3,123	2,239	18	(10)	3,141	2,229	912	40.92 %
Total revenues	<u>277,845</u>	<u>260,750</u>	<u>28,191</u>	<u>33,084</u>	<u>306,036</u>	<u>293,834</u>	<u>12,202</u>	<u>4.15 %</u>
Program Expenses:								
General government	82,670	84,138	-	-	82,670	84,138	(1,468)	(1.74)%
Economic development	1,299	2,803	-	-	1,299	2,803	(1,504)	(53.66)%
Public safety	108,148	110,010	-	-	108,148	110,010	(1,862)	(1.69)%
Public works	43,317	44,868	-	-	43,317	44,868	(1,551)	(3.46)%
Culture and recreation	25,263	19,666	-	-	25,263	19,666	5,597	28.46 %
Finance	5,509	5,792	-	-	5,509	5,792	(283)	(4.89)%
Interest on long-term debt	15,119	14,119	-	-	15,119	14,119	1,000	7.08 %
Alabama Cruise Terminal	-	-	487	527	487	527	(40)	(7.59)%
Civic Center	-	-	3,759	4,506	3,759	4,506	(747)	(16.58)%
Convention Center	-	-	9,801	8,977	9,801	8,977	824	9.18 %
Golf Course	-	-	1,620	1,453	1,620	1,453	167	11.49 %
Firemedics	-	-	6,113	5,431	6,113	5,431	682	12.56 %
Parking garage	-	-	251	276	251	276	(25)	(9.06)%
Tennis Center	-	-	613	560	613	560	53	9.46 %
Affordable homes program	-	-	16	5	16	5	11	220.00 %
WAVE Transit	-	-	11,580	10,620	11,580	10,620	960	9.04 %
Total expenses	<u>281,325</u>	<u>281,396</u>	<u>34,240</u>	<u>32,355</u>	<u>315,565</u>	<u>313,751</u>	<u>1,814</u>	<u>0.58 %</u>
Change in net assets before capital contributions and transfers	(3,480)	(20,646)	(6,049)	729	(9,529)	(19,917)	10,388	(52.16)%
Capital contributions	-	2,417	-	-	-	2,417	(2,417)	(100.00)%
Transfers	(3,687)	(6,781)	3,687	6,781	-	-	-	- %
Change in net assets	<u>(7,167)</u>	<u>(25,010)</u>	<u>(2,362)</u>	<u>7,510</u>	<u>(9,529)</u>	<u>(17,500)</u>	<u>7,971</u>	<u>(45.55)%</u>
Net assets, beginning	<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>	<u>(4.22)%</u>
Net assets, ending	<u>\$ 279,355</u>	<u>\$ 286,522</u>	<u>\$ 108,726</u>	<u>\$ 111,088</u>	<u>\$ 388,081</u>	<u>\$ 397,610</u>	<u>\$ (9,529)</u>	<u>(2.40)%</u>

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2011.

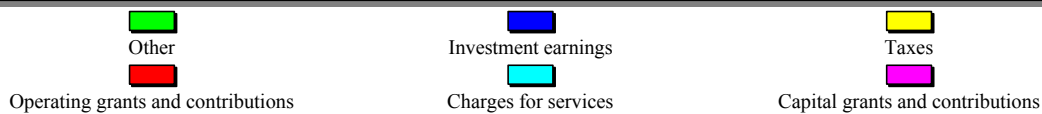
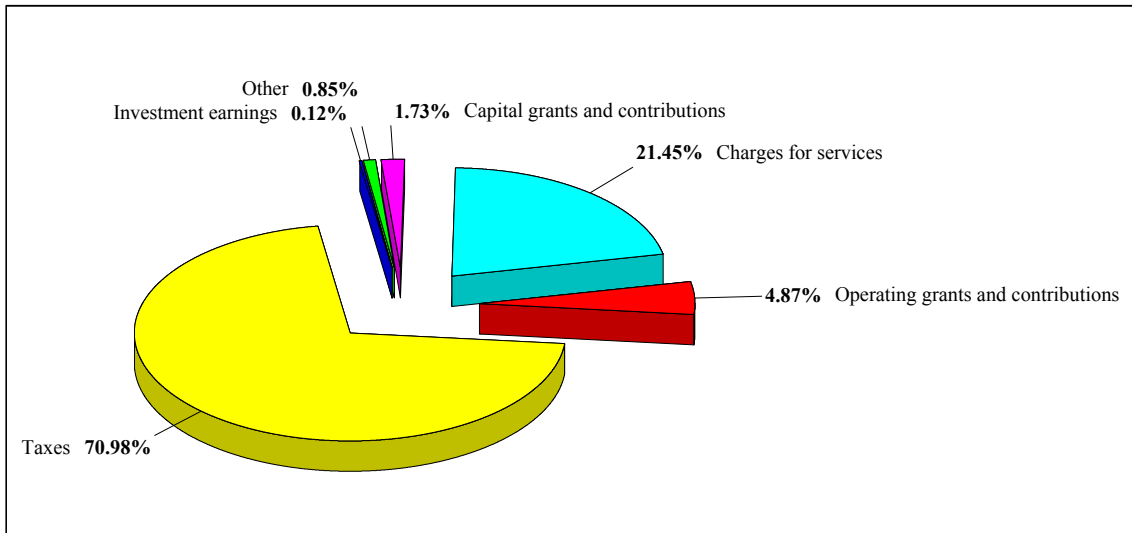
## GOVERNMENTAL REVENUES

2011



## GOVERNMENTAL REVENUES

2010

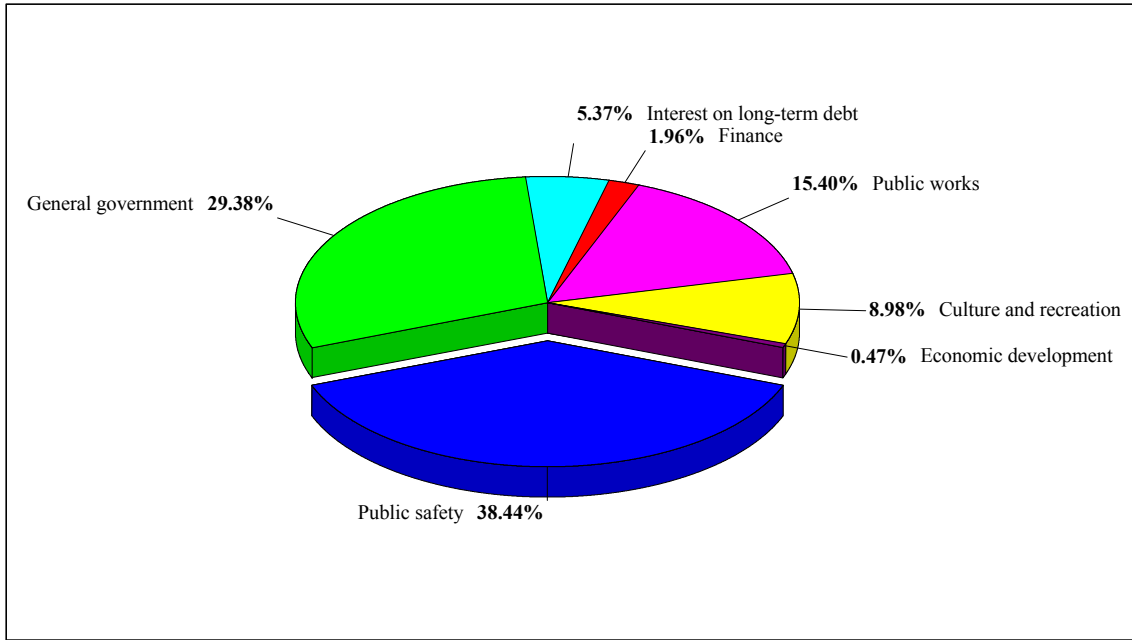


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 74.03% and 70.98% of the City's total governmental revenues in fiscal years 2011 and 2010, respectively.



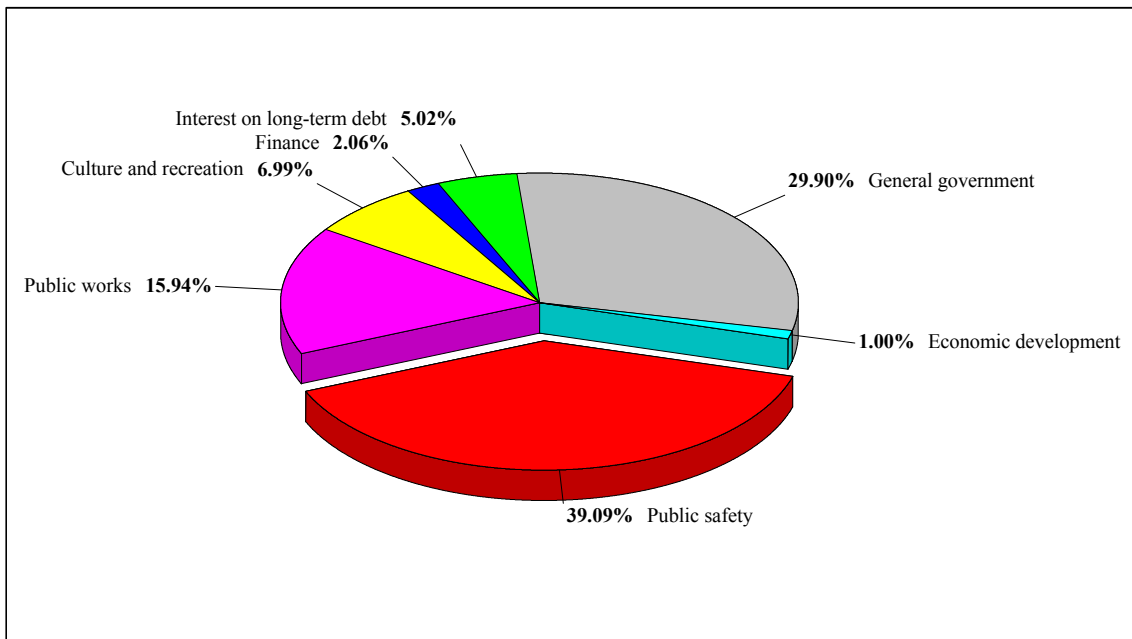
## GOVERNMENTAL FUNCTIONAL EXPENSES

2011



## GOVERNMENTAL FUNCTIONAL EXPENSES

2010



See the following page for discussion of these graphs.

## **Governmental activities**

Governmental activities decreased the City's net assets by \$7.2 million. The key elements of this decrease are as follows:

- Excess expenses over revenue for governmental activities amounted to \$212.6 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$337,496 which was an increase of \$36,062 from the prior year.
- Tax revenues amounted to \$205.7 million which was an increase of 11.1% over the prior year and was due primarily to the one percent sales tax increase effective June 1, 2010.
- Other revenue amounted to \$3.1 million.
- Transfers out of governmental activities totaled \$3.7 million.

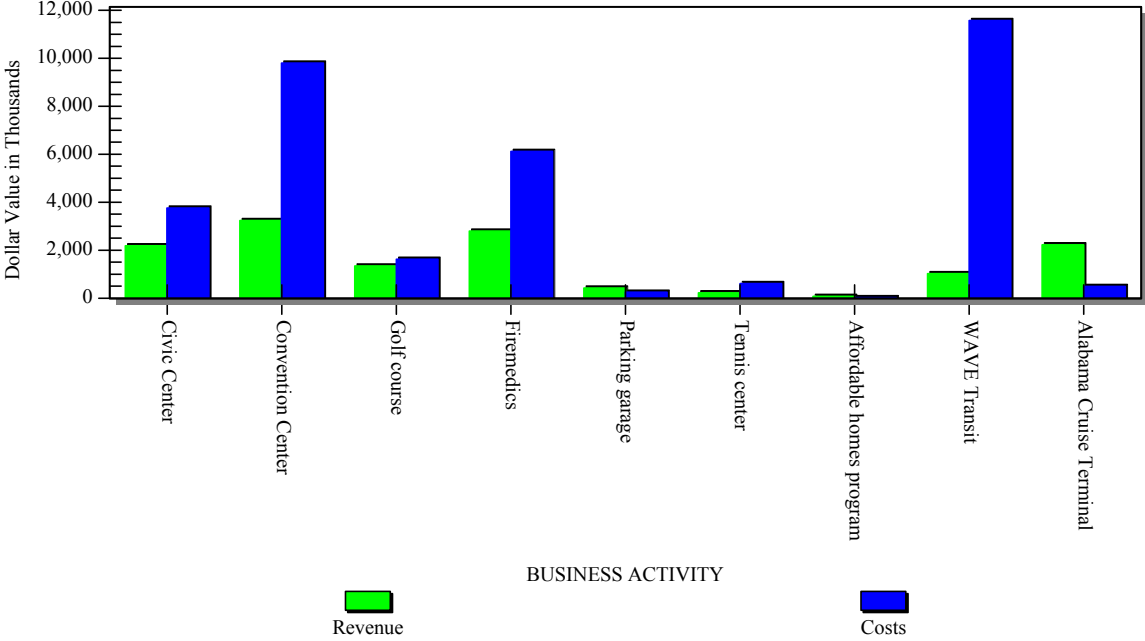
Governmental activity expenses decreased from the prior year. Of the \$281.3 million of governmental activity expenses, public safety was the largest operating cost, at 38.4% of total costs in 2011. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

## **Business-type activities**

Business-type activities decreased the City's total net assets by \$2.4 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage, cruise terminal, and Affordable Homes Program 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, and golf course 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, and golf course activities required subsidization by the City. The following graphs illustrate results of operations.

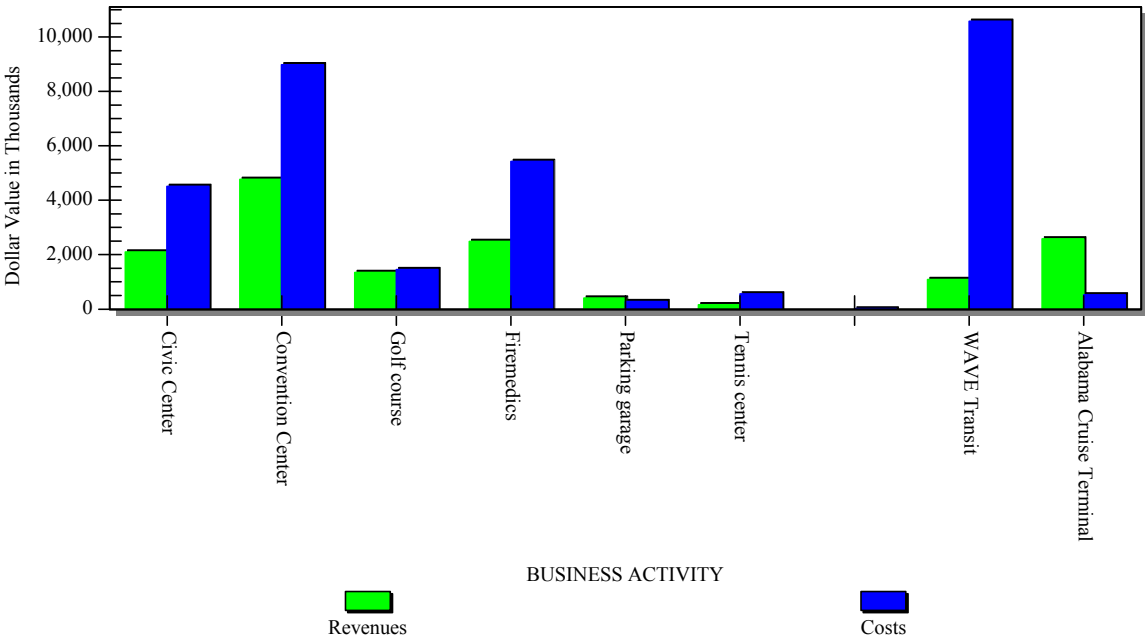
### BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2011



### BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2010



## 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. Governmental funds reported ending fund balance of \$110.2 million, of which \$24.7 million is unassigned, indicating availability for continuing the City's service requirements. The nonspendable fund balance is \$3.4 million and stems from inventory and long-term receivables. Restricted fund balance is \$43.1 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$5.7 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$33.3 million and comprises funds constrained by the City's intent to be used for a specific purpose.

The total ending fund balances of governmental funds show a \$13.2 million increase from the prior year. This increase is primarily due to an increase in revenues of \$21.3 million, an increase in expenses from the prior year totaling \$2.6 million and a decrease in other financing of \$23.8 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 \$21.6 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$23.5 million which includes a net increase of \$2.8 million.

The 2006 G.O. Refunding and Capital Projects fund has a fund balance of \$1.4 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 \$0.4 million as a result of increased capital outlays.

The 2008 G.O. Capital Improvements Projects fund has a fund balance of \$6.2 million. This fund accounts for expenditures related to certain capital improvement projects of the City. The fund balance in this fund decreased by \$6 million as a result of increased capital outlays.

The 2009B G.O. Capital Project - BAB Taxable Warrants fund has a fund balance of \$13.1 million. This fund is used to account for expenditures related to the Gulfquest Maritime Museum, a future parking garage, and a fire station. The fund balance in this fund decreased by \$2.5 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 decreased by \$2.4 million during the current fiscal year. This overall decrease is attributable to a decrease in concession income at the convention center. In 2010, due to the oil spill the convention center was utilized as a command center causing concession revenue to increase for that 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 \$0.7 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 \$32.0 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$7.2 million due to an increase in sales tax rates.
- State and federal assistance revenue was over budget by \$11.3 million. These amounts are not included in the original or final budget.
- Departmental expenditures were under budget by \$4.7 million
- Nondepartmental expenditures which include mandated activities, joint ventures, agencies, employee cost, state and federal projects, etc. were over budget by \$13.2 primarily due to state and federal assistance expenditures which are not included in the original or final budget.

The amended budget for fiscal year 2011 was approximately \$213 million. This was an increase of \$15 million over the prior year amended budget.

Total revenues were approximately \$19.9 million over budget while expenditures were \$8.5 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, 2011, the City's investment in capital assets, net of related debt for governmental and business-type activities was \$350.3 million and \$102.8 million, respectively. The overall decrease was \$5.1 million from 2010 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**  
**Net of Accumulated Depreciation**  
**(dollars are in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Non-depreciable capital assets:							
Land	\$ 25,516	\$ 25,516	\$ 10,544	\$ 10,464	\$ 36,060	\$ 35,980	0.22 %
Infrastructure-in-progress	38,590	46,554	-	-	38,590	46,554	(17.11)%
Construction-in-progress	44,266	38,656	362	600	44,628	39,256	13.68 %
Intangible assets	2,579	474	-	-	2,579	474	444.09 %
Depreciable capital assets, net							
Buildings	34,971	34,879	78,133	80,431	113,104	115,310	(1.91)%
Improvements	75,464	67,608	6,277	6,049	81,741	73,657	10.98 %
Vehicular equip	17,336	14,745	6,384	7,066	23,720	21,811	8.75 %
Other equip	10,458	11,582	1,584	1,957	12,042	13,539	(11.06)%
Infrastructure	<u>372,775</u>	<u>367,830</u>	<u>-</u>	<u>-</u>	<u>372,775</u>	<u>367,830</u>	1.34 %
Total capital assets, net	<u>\$ 621,955</u>	<u>\$ 607,844</u>	<u>\$ 103,284</u>	<u>\$ 106,567</u>	<u>\$ 725,239</u>	<u>\$ 714,411</u>	1.52 %

**Long-Term Debt**

As of September 30, 2011, the City had \$313.2 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 \$6.3 million and made payments of \$1.2 million for capital lease obligations. Interest payments on long-term debt totaled \$14.7 million. The following table summarizes the City's long-term debt:

**Outstanding Long-term Debt**  
**(dollars are in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Bonds and warrants	\$ 302,619	\$ 304,808	\$ -	\$ -	\$ 302,619	\$ 304,808	(0.72)%
Notes payable	4,730	1,360	-	-	4,730	1,360	247.79 %
Obligations under capital leases	<u>5,288</u>	<u>3,641</u>	<u>532</u>	<u>696</u>	<u>5,820</u>	<u>4,337</u>	34.19 %
Total long-term debt	<u>\$ 312,637</u>	<u>\$ 309,809</u>	<u>\$ 532</u>	<u>\$ 696</u>	<u>\$ 313,169</u>	<u>\$ 310,505</u>	0.86 %

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, 2011, the City's permissible debt limit exceeded actual debt by approximately \$209 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 per year and has operated in Mobile since 2004.

The City continues to face sluggish revenues. The temporary sales tax 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, CPA, CGFO  
Executive Director of Finance

**BASIC  
FINANCIAL STATEMENTS**



**CITY OF MOBILE, ALABAMA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 94,334,387	\$ 11,570,179	\$ 105,904,566	\$ 4,036,950
Restricted cash - capital purchases	1,853,622	-	1,853,622	-
Receivables - net	30,861,264	4,413,841	35,275,105	339,709
Inventories	2,244,640	273,880	2,518,520	-
Internal balances	2,756,618	(2,756,618)	-	-
Other assets	2,807,898	166,353	2,974,251	-
Nondepreciable capital assets	110,951,509	10,906,354	121,857,863	-
Depreciable capital assets, net	511,003,469	92,377,783	603,381,252	651,732
Total assets	<u>\$ 756,813,407</u>	<u>\$ 116,951,772</u>	<u>\$ 873,765,179</u>	<u>\$ 5,028,391</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 22,814,071	\$ 2,716,533	\$ 25,530,604	\$ 463,837
Unearned revenue	537,481	4,566,922	5,104,403	60,416
Police & Fire Pension Employer Contribution Payable	12,198,813	-	12,198,813	-
Noncurrent liabilities:				
Due in less than 1 year:				
Bonds and warrants payable	8,098,731	-	8,098,731	-
Notes payable	560,000	-	560,000	89,792
Capital lease obligations	1,047,383	170,224	1,217,607	-
Compensated absences	1,074,445	83,046	1,157,491	56,092
Self-insured liability - legal	407,500	-	407,500	-
Insurance claims	4,958,685	-	4,958,685	-
Landfill postclosure liability	40,992	-	40,992	-
Due in more than 1 year:				
Bonds and warrants payable	294,520,191	-	294,520,191	-
Notes payable	4,170,000	-	4,170,000	48,915
Capital lease obligations	4,240,412	362,090	4,602,502	-
Compensated absences	13,123,226	326,809	13,450,035	421,629
Self-insured liability - legal	407,500	-	407,500	-
Insurance claims	5,161,038	-	5,161,038	-
Landfill postclosure liability	852,710	-	852,710	-
Postemployment benefits	103,245,000	-	103,245,000	-
Total liabilities	<u>477,458,178</u>	<u>8,225,624</u>	<u>485,683,802</u>	<u>1,140,681</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	350,323,247	102,751,824	453,075,071	513,025
Restricted for:				
Capital projects	5,644,202	-	5,644,202	-
Debt Service	3,986,450	-	3,986,450	-
Economic development	5,696,551	-	5,696,551	-
Grant programs	3,826,585	-	3,826,585	-
Unrestricted	(90,121,806)	5,974,324	(84,147,482)	3,374,685
Total net assets	<u>279,355,229</u>	<u>108,726,148</u>	<u>388,081,377</u>	<u>3,887,710</u>
Total liabilities and net assets	<u>\$ 756,813,407</u>	<u>\$ 116,951,772</u>	<u>\$ 873,765,179</u>	<u>\$ 5,028,391</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 82,670,334	\$ 49,664,462	\$ 2,114,846	\$ 5,326,672
Economic development	1,299,046	-	-	1,418,965
Public safety	108,147,876	5,769,616	3,480,334	11,235
Public works	43,316,969	306,793	-	200,240
Culture and recreation	25,262,720	412,487	-	-
Finance	5,509,037	-	-	-
Interest on long-term debt	15,119,170	-	-	-
Total governmental activities	<u>281,325,152</u>	<u>56,153,358</u>	<u>5,595,180</u>	<u>6,957,112</u>
Business-Type Activities:				
Alabama Cruise Terminal	486,763	2,219,269	-	-
Civic Center	3,758,785	2,188,484	-	-
Convention Center	9,800,672	3,231,603	-	-
Golf course	1,619,823	1,341,283	-	-
Firemedics	6,113,101	2,794,810	-	-
Parking garage	251,674	417,518	-	-
Tennis Center	612,999	214,112	-	-
Affordable homes program	16,710	71,967	-	-
WAVE Transit	11,579,865	1,021,023	354,918	4,233,881
Total business-type activities	<u>34,240,392</u>	<u>13,500,069</u>	<u>354,918</u>	<u>4,233,881</u>
Total primary government	<u>315,565,544</u>	<u>69,653,427</u>	<u>5,950,098</u>	<u>11,190,993</u>
<b>Component units:</b>				
Mobile Public Library	9,639,971	781,176	214,475	60,324
Public Park and Recreation Board	992,086	793,391	-	-
Total component units	<u>\$ 10,632,057</u>	<u>\$ 1,574,567</u>	<u>\$ 214,475</u>	<u>\$ 60,324</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

**Transfers**

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (25,564,354)	\$ -	\$ (25,564,354)	\$ -
119,919	-	119,919	-
(98,886,691)	-	(98,886,691)	-
(42,809,936)	-	(42,809,936)	-
(24,850,233)	-	(24,850,233)	-
(5,509,037)	-	(5,509,037)	-
(15,119,170)	-	(15,119,170)	-
<u>(212,619,502)</u>	<u>-</u>	<u>(212,619,502)</u>	<u>-</u>
-	\$ 1,732,506	1,732,506	-
-	(1,570,301)	(1,570,301)	-
-	(6,569,069)	(6,569,069)	-
-	(278,540)	(278,540)	-
-	(3,318,291)	(3,318,291)	-
-	165,844	165,844	-
-	(398,887)	(398,887)	-
-	55,257	55,257	-
-	(5,970,043)	(5,970,043)	-
<u>-</u>	<u>(16,151,524)</u>	<u>(16,151,524)</u>	<u>-</u>
<u>(212,619,502)</u>	<u>(16,151,524)</u>	<u>(228,771,026)</u>	<u>-</u>
-	-	-	\$ (8,583,996)
-	-	-	(198,695)
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (8,782,691)</u>
16,093,899	-	16,093,899	-
163,405,226	8,395,672	171,800,898	-
10,115,711	-	10,115,711	-
5,092,514	1,685,196	6,777,710	-
2,005,816	-	2,005,816	-
6,080,474	-	6,080,474	-
2,234,211	-	2,234,211	-
459,774	-	459,774	-
77,098	-	77,098	-
114,016	-	114,016	-
-	-	-	8,263,769
337,496	4,576	342,072	30,292
3,122,939	17,708	3,140,647	-
<u>(3,686,887)</u>	<u>3,686,887</u>	<u>-</u>	<u>-</u>
<u>205,452,287</u>	<u>13,790,039</u>	<u>219,242,326</u>	<u>8,294,061</u>
<u>(7,167,215)</u>	<u>(2,361,485)</u>	<u>(9,528,700)</u>	<u>(488,630)</u>
<u>286,522,444</u>	<u>111,087,633</u>	<u>397,610,077</u>	<u>4,376,340</u>
<u>\$ 279,355,229</u>	<u>\$ 108,726,148</u>	<u>\$ 388,081,377</u>	<u>\$ 3,887,710</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, 2011**

	General Fund	Capital Improvements Fund
<b>ASSETS</b>		
Cash, equity in pooled cash and investments	\$ 19,963,989	\$ 20,857,656
Restricted cash - capital purchases	-	1,372,503
Receivables, net	24,925,149	1,299,640
Due from other funds	6,948,780	760,000
Inventories	2,244,640	-
Other assets	10,000	-
Total assets	\$ 54,092,558	\$ 24,289,799
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 16,911,068	\$ 271,624
Deferred revenue	539,224	128,229
Due to other funds	189,986	350,000
Compensated absences - terminated employees	268,611	-
Insurance claims payable	710,305	-
Escrowed funds liability	19,530	-
Total liabilities	18,638,724	749,853
<b>FUND BALANCES</b>		
Nonspendable	3,379,640	-
Restricted	4,547,386	-
Committed	-	-
Assigned	2,804,615	23,539,946
Unassigned	24,722,193	-
Total fund balances	35,453,834	23,539,946
Total liabilities and fund balances	\$ 54,092,558	\$ 24,289,799

**See Accompanying Notes to the Financial Statements.**

2006 G. O. Refunding and Capital Projects Funds	2008 G. O. Capital Improvements Projects	2009B G O Cap Proj - BAB 2009 Taxable Warrants	Governmental Funds - Non Major	Total Governmental Funds
\$ 1,428,390	\$ 6,279,841	\$ 13,777,894	\$ 28,685,829	\$ 90,993,599
-	-	-	-	1,372,503
-	-	-	4,621,005	30,845,794
-	-	-	-	7,708,780
-	-	-	-	2,244,640
-	-	-	-	10,000
<u>\$ 1,428,390</u>	<u>\$ 6,279,841</u>	<u>\$ 13,777,894</u>	<u>\$ 33,306,834</u>	<u>\$ 133,175,316</u>
\$ 64,540	\$ 101,148	\$ 717,112	\$ 2,297,162	\$ 20,362,654
-	-	-	-	667,453
-	-	-	400,000	939,986
-	-	-	-	268,611
-	-	-	-	710,305
-	-	-	-	19,530
<u>64,540</u>	<u>101,148</u>	<u>717,112</u>	<u>2,697,162</u>	<u>22,968,539</u>
-	-	-	-	3,379,640
1,363,850	6,178,693	13,060,782	17,942,702	43,093,413
-	-	-	5,746,043	5,746,043
-	-	-	6,927,526	33,272,087
-	-	-	(6,599)	24,715,594
<u>1,363,850</u>	<u>6,178,693</u>	<u>13,060,782</u>	<u>30,609,672</u>	<u>110,206,777</u>
<u>\$ 1,428,390</u>	<u>\$ 6,279,841</u>	<u>\$ 13,777,894</u>	<u>\$ 33,306,834</u>	<u>\$ 133,175,316</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, 2011**

Total Fund Balances - Governmental Funds		\$ 110,206,777
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	\$ 816,008,915	
Less accumulated depreciation	<u>(202,765,891)</u>	613,243,024
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Bond costs	3,653,041	
Less accumulated amortization	<u>(855,142)</u>	2,797,899
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(1,884,071)	
Police & Fire Pension Employer Contribution Payable	(12,198,813)	
Bonds and warrants payable	(302,618,922)	
Notes payable	(4,730,000)	
Capital lease obligations	(3,714,762)	
Compensated absences	(13,929,060)	
Insurance claims payable	(7,291,953)	
Landfill postclosure liability	(893,702)	
OPEB liability	<u>(103,245,000)</u>	(450,506,283)
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.		129,971
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>3,483,841</u>
Total Net Assets - Governmental Activities		<u>\$ 279,355,229</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, 2011**

	General Fund	Capital Improvements Fund
<b>Revenues</b>		
Taxes	\$ 173,675,174	\$ 16,867,807
Licenses and permits	33,182,953	-
Intergovernmental	245,581	-
Charges for services	8,559,708	-
Fines and forfeitures	4,468,316	-
State and federal assistance	11,292,544	-
Assessments	-	526
Interest	252,771	1,209
Other revenue	961,552	1,133,381
Total revenues	232,638,599	18,002,923
<b>Expenditures</b>		
Current:		
General government	17,348,763	-
Economic development	943,489	-
Public safety	78,453,950	-
Public works	36,494,625	-
Culture and recreation	14,293,565	-
Finance	4,703,808	-
Nondepartmental	47,848,358	-
Capital outlay	-	6,249,609
Debt Service:		
Principal payments	280,000	1,189,448
Interest and fees	227,666	131,368
Total expenditures	200,594,224	7,570,425
Excess (deficiency) of revenues over expenditures	32,044,375	10,432,498
<b>Other financing sources (uses)</b>		
Transfers in	8,270,512	167,000
Transfers out	(18,759,129)	(9,439,225)
Insurance recoveries	1,559	-
Capital-related debt issued	-	1,619,069
Payment to refunding bond escrow agent	-	-
Bond issuance costs	-	-
Proceeds from disposal of assets	16,822	-
Total other financing sources (uses)	(10,470,236)	(7,653,156)
Net change in fund balance	21,574,139	2,779,342
Fund balances, beginning of the year	13,879,695	20,760,604
Fund balances, end of the year	\$ 35,453,834	\$ 23,539,946

See Accompanying Notes to the Financial Statements.



2006 G. O. Refunding and Capital Projects Funds	2008 G. O. Capital Improvements Projects	2009B G O Cap Proj - BAB 2009 Taxable Warrants	Governmental Funds - Non Major	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 16,888,289	\$ 207,431,270
-	-	-	2,671,011	35,853,964
-	-	-	-	245,581
-	-	-	-	8,559,708
-	-	-	-	4,468,316
-	-	-	1,237,983	12,530,527
-	-	-	-	526
1,401	10,405	15,979	42,808	324,573
-	-	-	5,202,173	7,297,106
<u>1,401</u>	<u>10,405</u>	<u>15,979</u>	<u>26,042,264</u>	<u>276,711,571</u>
-	-	-	-	17,348,763
-	-	-	-	943,489
-	-	-	-	78,453,950
-	-	-	-	36,494,625
-	-	-	-	14,293,565
-	-	-	-	4,703,808
-	-	-	3,432,131	51,280,489
359,403	5,964,277	2,525,591	17,228,554	32,327,434
-	-	-	5,832,246	7,301,694
-	-	-	14,333,449	14,692,483
<u>359,403</u>	<u>5,964,277</u>	<u>2,525,591</u>	<u>40,826,380</u>	<u>257,840,300</u>
<u>(358,002)</u>	<u>(5,953,872)</u>	<u>(2,509,612)</u>	<u>(14,784,116)</u>	<u>18,871,271</u>
-	-	-	20,547,690	28,985,202
-	-	-	(11,051,019)	(39,249,373)
-	-	-	-	1,559
-	-	-	13,715,000	15,334,069
-	-	-	(10,657,242)	(10,657,242)
-	-	-	(57,750)	(57,750)
-	-	-	-	16,822
-	-	-	12,496,679	(5,626,713)
(358,002)	(5,953,872)	(2,509,612)	(2,287,437)	13,244,558
<u>1,721,852</u>	<u>12,132,565</u>	<u>15,570,394</u>	<u>32,897,109</u>	<u>96,962,219</u>
<u>\$ 1,363,850</u>	<u>\$ 6,178,693</u>	<u>\$ 13,060,782</u>	<u>\$ 30,609,672</u>	<u>\$ 110,206,777</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, 2011**

Net Change in Fund Balances - Total Governmental Funds		\$ 13,244,558
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	\$ 33,395,714	
Less accumulated depreciation	<u>(18,592,579)</u>	14,803,135
Contributions of capital assets are not reported as income in governmental funds		-
Change in deferred revenue		7,616
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	(15,334,069)	
Assumption of notes payable under guarantee	(3,885,000)	
Bond issuance costs	57,750	
Payment to refunding bond escrow agent	10,205,000	
Principal payments - capital lease obligations	1,189,447	
Principal payments - bonds and notes payable	<u>6,347,247</u>	(1,419,625)
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	(422,884)	
Amortization of current year bond premium	309,301	
Amortization of current year bond costs	(182,269)	
Amortization of current year bond discount	(19,306)	
Change in long-term compensated absences	400,719	
Change in long-term insurance claims	(1,118,974)	
Change in long-term landfill postclosure liability	39,416	
Change in accrued interest	(2,526)	
Change in pension contribution	(5,500,992)	
Change in OPEB liability	(26,495,000)	
Gain (loss) on disposal of fixed assets	<u>(102,053)</u>	(33,094,568)
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>(708,331)</u>
Change in net assets of governmental activities		<u>\$ (7,167,215)</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, 2011**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 460,462	\$ 7,842,457	\$ 149,216
Restricted cash - capital purchases	-	-	-
Receivables, net	35,639	983,996	1,119,194
Due from other funds	-	-	189,986
Other assets	5,328	11,370	149,655
Inventories	27,747	50,277	148,259
Total current assets	<u>529,176</u>	<u>8,888,100</u>	<u>1,756,310</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	5,355,465	1,973,109
Depreciable capital assets, net	7,924,096	39,998,809	19,276,241
Total noncurrent assets	<u>8,148,446</u>	<u>45,354,274</u>	<u>21,249,350</u>
Total assets	<u>\$ 8,677,622</u>	<u>\$ 54,242,374</u>	<u>\$ 23,005,660</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 397,083	\$ 410,828	\$ 1,048,373
Deferred revenue	164,566	129,397	-
Capital lease obligations - current portion	-	-	170,224
Compensated absences	-	-	83,046
Insurance claims payable	-	-	-
Due to other funds	-	-	1,290,778
Total current liabilities	<u>561,649</u>	<u>540,225</u>	<u>2,592,421</u>
Noncurrent liabilities:			
Compensated absences	-	-	326,809
Self-insured liability - legal	-	-	-
Capital lease obligations, net of current portion	-	-	362,090
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>688,899</u>
Total liabilities	<u>561,649</u>	<u>540,225</u>	<u>3,281,320</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,148,446	45,354,274	20,717,036
Unrestricted	(32,473)	8,347,875	(992,696)
Total net assets	<u>8,115,973</u>	<u>53,702,149</u>	<u>19,724,340</u>
Total liabilities and fund balances	<u>\$ 8,677,622</u>	<u>\$ 54,242,374</u>	<u>\$ 23,005,660</u>

**See Accompanying Notes to the Financial Statements.**

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 953,831	\$ 1,529,741	\$ 634,472	\$ 11,570,179	\$ 3,340,788
-	-	-	-	481,119
235,000	495,981	1,544,031	4,413,841	15,470
780,000	-	-	969,986	-
-	-	-	166,353	-
-	-	47,597	273,880	-
<u>1,968,831</u>	<u>2,025,722</u>	<u>2,226,100</u>	<u>17,394,239</u>	<u>3,837,377</u>
1,895,790	-	1,457,640	10,906,354	-
4,503,376	18,184,648	2,490,613	92,377,783	8,711,954
<u>6,399,166</u>	<u>18,184,648</u>	<u>3,948,253</u>	<u>103,284,137</u>	<u>8,711,954</u>
<u>\$ 8,367,997</u>	<u>\$ 20,210,370</u>	<u>\$ 6,174,353</u>	<u>\$ 120,678,376</u>	<u>\$ 12,549,331</u>
\$ -	\$ -	\$ 860,249	\$ 2,716,533	\$ 547,816
4,272,959	-	-	4,566,922	-
-	-	-	170,224	397,273
-	-	-	83,046	-
-	-	-	-	2,117,465
-	430,000	2,005,826	3,726,604	4,012,176
<u>4,272,959</u>	<u>430,000</u>	<u>2,866,075</u>	<u>11,263,329</u>	<u>7,074,730</u>
-	-	-	326,809	-
-	-	-	-	815,000
-	-	-	362,090	1,175,760
-	-	-	688,899	1,990,760
<u>4,272,959</u>	<u>430,000</u>	<u>2,866,075</u>	<u>11,952,228</u>	<u>9,065,490</u>
6,399,166	18,184,649	3,948,253	102,751,824	6,968,226
(2,304,128)	1,595,721	(639,975)	5,974,324	(3,484,385)
<u>4,095,038</u>	<u>19,780,370</u>	<u>3,308,278</u>	<u>108,726,148</u>	<u>3,483,841</u>
<u>\$ 8,367,997</u>	<u>\$ 20,210,370</u>	<u>\$ 6,174,353</u>	<u>\$ 120,678,376</u>	<u>\$ 12,549,331</u>

**See Accompanying Notes to the Financial Statements.**

**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Facility rent	\$ 480,768	\$ 646,078	\$ -
Sales revenue	-	-	-
Parking fees	311,285	136,129	-
User charges	944,162	1,560,283	927,583
Concessions	299,184	819,228	-
Miscellaneous revenue	153,085	69,885	93,440
Employee contributions	-	-	-
Cost reimbursement	-	-	-
Total operating revenues	<u>2,188,484</u>	<u>3,231,603</u>	<u>1,021,023</u>
<b>OPERATING EXPENSES</b>			
Utilities	657,524	660,332	145,980
Materials	-	-	-
Cost of goods sold	-	-	-
Personnel services	1,263,678	3,378,481	6,686,269
Professional and technical	283,233	2,820,540	-
Commodities	105,164	589,723	2,015,928
Insurance benefit payments	-	-	309,418
Self-insured liability - legal	-	-	-
Event expenses	889,110	70,530	-
Other charges	150,358	1,061,213	596,391
Depreciation	409,718	1,255,806	1,786,560
Capital outlay	-	910	-
Total operating expenses	<u>3,758,785</u>	<u>9,837,535</u>	<u>11,540,546</u>
Operating income (loss)	<u>(1,570,301)</u>	<u>(6,605,932)</u>	<u>(10,519,523)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	10,080,868	-
Investment income	-	-	5
Interest and fees	-	-	(28,500)
Gain (loss) on disposal of assets	(1,594)	-	17,964
Operating grants and contributions	-	-	354,918
Capital transfer to other governmental entity	-	-	(10,819)
Damaged vehicles reimbursement	-	-	-
Insurance recoveries	-	36,863	-
Net nonoperating revenues (expenses)	<u>(1,594)</u>	<u>10,117,731</u>	<u>333,568</u>
Net income (loss) before contributions and transfers	<u>(1,571,895)</u>	<u>3,511,799</u>	<u>(10,185,955)</u>
Capital grants and contributions	-	-	4,233,881
Transfers in	1,212,448	-	8,175,207
Transfers out	-	(4,168,116)	(3,654,483)
Change in net assets	<u>(359,447)</u>	<u>(656,317)</u>	<u>(1,431,350)</u>
Net assets - beginning	<u>8,475,420</u>	<u>54,358,466</u>	<u>21,155,690</u>
Net assets - end of the year	<u>\$ 8,115,973</u>	<u>\$ 53,702,149</u>	<u>\$ 19,724,340</u>

**See Accompanying Notes to the Financial Statements.**

				Governmental Activities
		Other Enterprise Funds		Internal Service Funds
Municipal Parking Garage	Alabama Cruise Terminal		Totals	
\$ 417,518	\$ -	\$ -	\$ 1,544,364	\$ -
-	-	158,585	158,585	-
-	-	-	447,414	-
-	-	4,186,385	7,618,413	19,717,656
-	-	3,899	1,122,311	-
-	2,219,269	1,336	2,537,015	3,487
-	-	-	-	4,323,608
-	-	72,483	72,483	68
<u>417,518</u>	<u>2,219,269</u>	<u>4,422,688</u>	<u>13,500,585</u>	<u>24,044,819</u>
-	-	177,678	1,641,514	42,911
-	-	-	-	2,587,901
-	-	153,081	153,081	-
-	-	6,082,764	17,411,192	81,893
-	-	355,818	3,459,591	898,671
14,432	-	940,831	3,666,078	-
-	-	-	309,418	24,520,387
-	-	-	-	45,137
-	-	-	959,640	-
35,466	73,347	385,431	2,302,206	1,375,720
201,644	379,909	267,546	4,301,183	1,758,151
132	33,507	-	34,549	-
<u>251,674</u>	<u>486,763</u>	<u>8,363,149</u>	<u>34,238,452</u>	<u>31,310,771</u>
<u>165,844</u>	<u>1,732,506</u>	<u>(3,940,461)</u>	<u>(20,737,867)</u>	<u>(7,265,952)</u>
-	-	-	10,080,868	-
161	-	4,410	4,576	-
-	-	-	(28,500)	(54,796)
-	-	1,338	17,708	(2,127)
-	-	-	354,918	-
-	-	-	(10,819)	-
-	-	-	-	37,260
-	-	-	36,863	-
<u>161</u>	<u>-</u>	<u>5,748</u>	<u>10,455,614</u>	<u>(19,663)</u>
<u>166,005</u>	<u>1,732,506</u>	<u>(3,934,713)</u>	<u>(10,282,253)</u>	<u>(7,285,615)</u>
-	-	-	4,233,881	-
-	-	3,285,947	12,673,602	6,577,284
-	(1,164,116)	-	(8,986,715)	-
<u>166,005</u>	<u>568,390</u>	<u>(648,766)</u>	<u>(2,361,485)</u>	<u>(708,331)</u>
<u>3,929,033</u>	<u>19,211,980</u>	<u>3,957,044</u>	<u>111,087,633</u>	<u>4,192,172</u>
<u>\$ 4,095,038</u>	<u>\$ 19,780,370</u>	<u>\$ 3,308,278</u>	<u>\$ 108,726,148</u>	<u>\$ 3,483,841</u>

**See Accompanying Notes to the Financial Statements.**

**CITY OF MOBILE, ALABAMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>Cash flows from operating activities</b>			
Cash received from:			
User charges	\$ 948,868	\$ 1,640,537	\$ 1,030,443
Sales revenue	-	-	-
Internal billings	-	-	-
Employee contributions	-	-	-
Facility rent	542,165	646,078	-
Parking fees	311,285	136,129	-
Concessions	299,184	819,228	-
Miscellaneous	50,772	114,897	-
Cost reimbursements	-	-	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,930,427)	(5,362,369)	(3,048,971)
Cash payment/received for interfund services use	-	-	-
Cash payments to employees for services	(1,263,678)	(3,378,481)	(6,887,583)
Net cash provided (used) by operating activities	<u>(1,041,831)</u>	<u>(5,383,981)</u>	<u>(8,906,111)</u>
<b>Cash flows from non-capital financing activities</b>			
Taxes	-	10,080,868	-
Non-capital grants and contributions	-	-	1,669,636
Transfers out to other governmental entity	-	-	(10,819)
Transfers in from other funds	1,212,448	-	8,169,325
Transfers out to other funds	-	(4,168,116)	(4,324,091)
Net cash provided by non-capital financing activities	<u>1,212,448</u>	<u>5,912,752</u>	<u>5,504,051</u>
<b>Cash flows from capital and related financing activities</b>			
Interest payments	-	-	(29,080)
Principal Payments	-	-	(163,393)
Acquisition of capital assets	-	(394,313)	(503,256)
Proceeds from disposal of capital assets	-	-	17,964
Proceeds from capital leases	-	-	-
Reimbursement for damaged vehicles	-	36,863	-
Capital grants and contributions	-	-	3,987,728
Transfers from other funds	-	-	46,371
Net cash used by capital and related financing activities	<u>-</u>	<u>(357,450)</u>	<u>3,356,334</u>
<b>Cash flows from investing activities</b>			
Investment income received	-	-	5
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>5</u>
Net increase (decrease) in pooled cash and investments	170,617	171,321	(45,721)
Pooled cash and investments - beginning of the year	289,845	7,671,136	194,937
Pooled cash and investments - end of the year	<u>\$ 460,462</u>	<u>\$ 7,842,457</u>	<u>\$ 149,216</u>

**See Accompanying Notes to the Financial Statements.**



				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ 2,274,843	\$ 4,024,704	\$ 9,919,395	\$ 113,342
-	-	158,585	158,585	-
-	-	-	-	19,716,907
-	-	-	-	4,210,267
315,477	-	-	1,503,720	-
-	-	-	447,414	-
-	-	3,899	1,122,311	-
-	-	1,336	167,005	3,486
-	-	72,483	72,483	68
-	-	-	-	(24,397,892)
(50,030)	(106,853)	(1,782,956)	(12,281,606)	(4,572,886)
-	-	87,091	87,091	970,448
-	-	(5,694,400)	(17,224,142)	(88,585)
<u>265,447</u>	<u>2,167,990</u>	<u>(3,129,258)</u>	<u>(16,027,744)</u>	<u>(4,044,845)</u>
-	-	-	10,080,868	-
-	-	-	1,669,636	-
-	-	-	(10,819)	-
-	-	3,285,946	12,667,719	6,577,284
-	(1,164,116)	-	(9,656,323)	-
<u>-</u>	<u>(1,164,116)</u>	<u>3,285,946</u>	<u>14,751,081</u>	<u>6,577,284</u>
-	-	-	(29,080)	(54,796)
-	-	-	(163,393)	(386,613)
-	(23,975)	(102,507)	(1,024,051)	(726,501)
-	-	4,600	22,564	(443,086)
-	-	-	-	1,603,731
-	-	-	36,863	37,260
-	-	-	3,987,728	-
-	-	-	46,371	-
<u>-</u>	<u>(23,975)</u>	<u>(97,907)</u>	<u>2,877,002</u>	<u>29,995</u>
161	-	4,410	4,576	-
<u>161</u>	<u>-</u>	<u>4,410</u>	<u>4,576</u>	<u>-</u>
265,608	979,899	63,191	1,604,915	2,562,434
688,223	549,842	571,281	9,965,264	1,259,473
<u>\$ 953,831</u>	<u>\$ 1,529,741</u>	<u>\$ 634,472</u>	<u>\$ 11,570,179</u>	<u>\$ 3,821,907</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, 2011**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,570,301)	\$ (6,605,932)	\$ (10,519,523)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	409,718	1,255,806	1,786,560
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	66,103	91,506	9,420
Materials and supplies	9,242	562	3,509
Prepaid expenses	-	-	1,698
Increase (decrease) in:			
Accounts payable	43,407	(125,923)	13,539
Accrued liabilities	-	-	(65,578)
Compensated absences	-	-	(2,060)
Pension liability	-	-	(133,676)
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total adjustments	<u>528,470</u>	<u>1,221,951</u>	<u>1,613,412</u>
Net cash provided (used) by operating activities	<u>\$ (1,041,831)</u>	<u>\$ (5,383,981)</u>	<u>\$ (8,906,111)</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 165,844	\$ 1,732,506	\$ (3,940,461)	\$ (20,737,867)	\$ (7,265,952)
201,644	379,909	267,546	4,301,183	1,758,151
-	55,575	(161,681)	60,923	(745)
-	-	17,666	30,979	-
-	-	-	1,698	-
-	-	50,244	(18,733)	(17,548)
-	-	388,366	322,788	(6,693)
-	-	-	(2,060)	-
-	-	-	(133,676)	-
-	-	-	-	122,494
-	-	-	-	395,000
-	-	249,062	249,062	970,448
(102,041)	-	-	(102,041)	-
<u>99,603</u>	<u>435,484</u>	<u>811,203</u>	<u>4,710,123</u>	<u>3,221,107</u>
<u>\$ 265,447</u>	<u>\$ 2,167,990</u>	<u>\$ (3,129,258)</u>	<u>\$ (16,027,744)</u>	<u>\$ (4,044,845)</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, 2011**

	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, equity in pooled cash and investments	\$ 3,856,876	\$ 180,074	\$ 4,036,950
Receivables:			
Accounts, notes and other - net	212,111	127,598	339,709
Depreciable capital assets, net	<u>454,576</u>	<u>197,156</u>	<u>651,732</u>
Total assets	<u>\$ 4,523,563</u>	<u>\$ 504,828</u>	<u>\$ 5,028,391</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 319,815	\$ 144,022	\$ 463,837
Deferred revenue	-	60,416	60,416
Due within one year:			
Compensated absences	56,092	-	56,092
Notes payable	-	89,792	89,792
Due after one year:			
Compensated absences	421,629	-	421,629
Notes payable	-	48,915	48,915
Total liabilities	<u>797,536</u>	<u>343,145</u>	<u>1,140,681</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	454,576	58,449	513,025
Unrestricted	<u>3,271,451</u>	<u>103,234</u>	<u>3,374,685</u>
Total net assets	<u>3,726,027</u>	<u>161,683</u>	<u>3,887,710</u>
Total liabilities and net assets	<u>\$ 4,523,563</u>	<u>\$ 504,828</u>	<u>\$ 5,028,391</u>

**See Accompanying Notes to the Financial Statements.**

**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
COMPONENTS UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Mobile Public Library</b>				
Culture and recreation	\$ 9,639,971	\$ 781,176	\$ 214,475	\$ 60,324
Total Mobile Public Library	<u>9,639,971</u>	<u>781,176</u>	<u>214,475</u>	<u>60,324</u>
<b>Public Park and Recreation Board</b>				
Culture and recreation	992,086	793,391	-	-
Total Public Park and Recreation Board	<u>992,086</u>	<u>793,391</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 10,632,057</u>	<u>\$ 1,574,567</u>	<u>\$ 214,475</u>	<u>\$ 60,324</u>

**General Revenues:**

Payment from City of Mobile  
 Payment from Mobile County  
 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
\$ (8,583,996)		\$ (8,583,996)
<u>(8,583,996)</u>		<u>(8,583,996)</u>
	\$ (198,695)	(198,695)
	<u>(198,695)</u>	<u>(198,695)</u>
		<u>(8,782,691)</u>
6,532,491	-	6,532,491
1,238,342	-	1,238,342
171,000	-	171,000
321,936	-	321,936
<u>18,539</u>	<u>11,753</u>	<u>30,292</u>
<u>8,282,308</u>	<u>11,753</u>	<u>8,294,061</u>
(301,688)	(186,942)	(488,630)
<u>4,027,715</u>	<u>348,625</u>	<u>4,376,340</u>
<u>\$ 3,726,027</u>	<u>\$ 161,683</u>	<u>\$ 3,887,710</u>

**See Accompanying Notes to the Financial Statements.**

**NOTES TO THE FINANCIAL STATEMENTS**



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - 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.

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.
- Economic Development - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the 2002 & 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Build America Warrants Series 2009B (Taxable).
- 2009C General Obligation 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, 2011**

**NOTE 1 - 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, 2011**

**NOTE 1 - 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.
- 2009B General Obligation 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 General Obligation 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 General Obligation Warrants - This fund is used to purchase pumper trucks for the City's fire department.
- 2011 General Obligation Private Placement Capital Improvements - This fund is used to refund the 2001 General Obligation Refunding Warrants and to finance a portion of the costs of the completion of construction and installation of a maritime museum to be located at Mobile Landing.

**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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 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.
- 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**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.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 for specific purposes are included within restricted, committed, or assigned fund balance as appropriate. 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.

**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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 began capitalizing and reporting intangible assets in the fiscal year that ended 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.

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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.

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

**Non-spendable Fund Balance** - Prepaid expenditures and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.

**Restricted Fund Balance** - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** - Amounts formally designated by City Council through ordinance or resolution for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assigned Fund Balance - Amounts constrained by City Council or City Management for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent fund are by their nature assigned to the purpose for which the resources are collected.

Unassigned Fund Balance - Amounts that may be used for any governmental purpose.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Issued February 2009, the objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints that control how specific amounts can be spent. GASB 54 is effective for financial statements for periods beginning after June 15, 2010 and has been implemented in this year.

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. GASB 59 is effective for financial statements for periods beginning after June 15, 2010 and has been implemented this year.

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2011:**

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 No. 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.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* Issued June 2011, this Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions 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 63 will have on its financial statements.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53.* Issued June 2011 The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when effective hedging relationship continues and hedge accounting should continue to be applied. The City currently has no derivative instruments and therefore GASB No. 64 will have no effect on its current 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, 2011**

**NOTE 2 - 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, 2011**

**NOTE 2 - 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, 2011. 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 \$396,803 to Mobile Emergency Management during the fiscal year ended September 30, 2011. 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, 2011**

**NOTE 2 - 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 \$1,083,419 to the Mobile Personnel Board during the fiscal year ended September 30, 2011. 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.

• **Juvenile Court and Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses within thirty days after receiving the bill. During the fiscal year ended September 30, 2011 the City contributed \$2,730,880 to the Juvenile Court and Youth Center. The total annual operating budget for the Strickland Youth Center is approximately 6.5 million dollars. It is funded by Mobile County, the City of Mobile, the Department of Youth Services and various grants from the State of Alabama.

**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 and City's restricted cash were fully insured or collateralized at September 30, 2011. At year-end, the carrying amount of the City's deposits was \$107,758,188 and the bank balance was \$109,584,386. Included in the bank balances are certificates of deposit totaling \$9,073,298. Of the total bank balance, \$66,651,252 was covered by Federal Depository Insurance and \$35,295,801 was covered under the SAFE program.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

**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, 2011, the City had the following investments:

	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>
Money market funds	\$ 62,732,299	0.0027
Sweep accounts	3,440,411	0.0027
Certificates of deposit	9,073,298	0.0463
	<u>\$ 75,246,008</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, 2011, 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.

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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2011 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
<b>Receivables</b>			
Taxes	\$ 16,184,900	\$ 1,269,784	\$17,454,684
Customers and other	7,129,243	8,739,087	15,868,330
Other governmental units	<u>7,570,109</u>	<u>4,682</u>	<u>7,574,791</u>
<b>Gross receivables</b>	30,884,252	10,013,553	40,897,805
Allowance for uncollectables	<u>(22,988)</u>	<u>(5,599,712)</u>	<u>(5,622,700)</u>
<b>Net receivables</b>	<u>\$ 30,861,264</u>	<u>\$ 4,413,841</u>	<u>\$35,275,105</u>

Substantially all receivables are due in fiscal year 2012, except General Fund assessments receivable for lot cleaning and building demolitions of \$2,739,985, a long-term note receivable related to the repayment of the HUD 108 loans for \$1,125,000 and Capital Projects Funds assessments receivable for public improvements of \$128,755.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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, 2011, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 21,535	\$ 167,000
Other Governmental Funds	3,711,123	175,000
Internal Service Funds	-	6,577,284
Mobile Civic Center	-	1,212,448
WAVE Transit	1,225,778	7,675,207
Other Enterprise Funds	-	2,262,519
Total General Fund	<u>4,958,436</u>	<u>18,069,458</u>
Capital Improvements Fund		
General Fund	167,000	21,535
Other Governmental Funds	-	8,917,690
WAVE Transit	-	500,000
Total Capital Improvements Fund	<u>167,000</u>	<u>9,439,225</u>
Other Governmental Funds		
General Fund	175,000	3,711,123
Capital Improvements Fund	8,917,690	-
Other Governmental Funds	7,006,139	7,006,139
Mobile Convention Center	4,168,116	-
Alabama Cruise Terminal	1,164,116	-
WAVE Transit	2,428,705	-
Other Enterprise Funds	-	1,023,428
Total Other Governmental Funds	<u>23,859,766</u>	<u>11,740,690</u>
Internal Service Funds		
General Fund	<u>6,577,284</u>	<u>-</u>
Total Internal Service Funds	<u>6,577,284</u>	<u>-</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	<u>1,212,448</u>	<u>-</u>
Total Mobile Civic Center	<u>1,212,448</u>	<u>-</u>
Mobile Convention Center		
Other Governmental Funds	<u>-</u>	<u>4,168,116</u>
Total Mobile Convention Center	<u>-</u>	<u>4,168,116</u>
WAVE Transit		
General Fund	7,675,207	1,225,778
Capital Improvements Fund	500,000	-
Other Governmental Funds	-	2,428,705
Total WAVE Transit	<u>8,175,207</u>	<u>3,654,483</u>
Alabama Cruise Terminal		
Other Governmental Funds	<u>-</u>	<u>1,164,116</u>
Total Alabama Cruise Terminal	<u>-</u>	<u>1,164,116</u>
Other Enterprise Funds		
General Fund	2,262,519	-
Other Governmental Funds	1,023,428	-
Total Other Enterprise Funds	<u>3,285,947</u>	<u>-</u>
	<u>\$ 48,236,088</u>	<u>\$ 48,236,088</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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, 2011, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
<b>Major Governmental Funds</b>		
<b>General Fund</b>		
WAVE Transit	\$ 189,986	\$ 1,290,778
Other Enterprise Funds	-	1,645,826
Internal Service Funds	-	4,012,176
Total General Fund	<u>189,986</u>	<u>6,948,780</u>
<b>Capital Improvements Fund</b>		
Municipal Parking Garage	350,000	-
Other Governmental Funds	-	400,000
Other Enterprise Funds	-	360,000
Total Capital Improvements Fund	<u>350,000</u>	<u>760,000</u>
<b>Other Governmental Funds</b>		
Capital Improvements Fund	400,000	-
Total Other Governmental Funds	<u>400,000</u>	<u>-</u>
<b>Internal Service Funds</b>		
General Fund	4,012,176	-
Total Internal Service Funds	<u>4,012,176</u>	<u>-</u>
<b>Major Enterprise Funds</b>		
<b>WAVE Transit</b>		
General Fund	1,290,778	189,986
Total WAVE Transit	<u>1,290,778</u>	<u>189,986</u>
<b>Municipal Parking Garage</b>		
Capital Improvements Fund	-	350,000
Cruise Terminal	-	430,000
Total Municipal Parking Garage	<u>-</u>	<u>780,000</u>
<b>Cruise Terminal</b>		
Municipal Parking Garage	430,000	-
Total Cruise Terminal	<u>430,000</u>	<u>-</u>
<b>Other Enterprise Funds</b>		
General Fund	1,645,826	-
Capital Improvements Fund	360,000	-
Total Other Enterprise Funds	<u>2,005,826</u>	<u>-</u>
	<u>\$ 8,678,766</u>	<u>\$ 8,678,766</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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, \$430,000 due to the Municipal Garage from the Cruise Terminal Fund, \$400,000 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, 2011:

	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, 10/1/10	\$ 25,516,025	\$ 38,656,088	\$ 46,554,037	\$ 474,428	\$ 59,772,924	\$ 100,385,759	\$ 52,530,642	\$ 43,148,737	\$ 450,837,867	\$ 817,876,507	
Additions	-	18,674,257	7,762,133	2,104,673	2,302,454	13,064,253	5,381,480	689,626	15,725,878	65,704,754	
Deductions	-	(13,064,253)	(15,725,878)	-	-	(2,302,454)	(972,612)	(198,198)	-	(32,263,395)	
Balance, 9/30/11	<u>25,516,025</u>	<u>44,266,092</u>	<u>38,590,292</u>	<u>2,579,101</u>	<u>62,075,378</u>	<u>111,147,558</u>	<u>56,939,510</u>	<u>43,640,165</u>	<u>466,563,745</u>	<u>851,317,866</u>	
Accumulated Depreciation											
Balance, 10/1/10	-	-	-	-	24,893,937	32,777,966	37,785,254	31,567,001	83,007,764	210,031,922	
Additions	-	-	-	3,956	2,210,554	2,905,595	2,694,006	1,755,646	10,780,973	20,350,730	
Deductions	-	-	-	(3,956)	-	-	(875,350)	(140,458)	-	(1,019,764)	
Balance, 9/30/11	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,104,491</u>	<u>35,683,561</u>	<u>39,603,910</u>	<u>33,182,189</u>	<u>93,788,737</u>	<u>229,362,888</u>	
Capital Assets, Net	<u>\$ 25,516,025</u>	<u>\$ 44,266,092</u>	<u>\$ 38,590,292</u>	<u>\$ 2,579,101</u>	<u>\$ 34,970,887</u>	<u>\$ 75,463,997</u>	<u>\$ 17,335,600</u>	<u>\$ 10,457,976</u>	<u>\$ 372,775,008</u>	<u>\$ 621,954,978</u>	

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 7 - CAPITAL ASSETS (continued)**

Construction in progress consists of the following:

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Municipal Garage Expansion	\$ 931,860	\$ 13,091	\$ (944,951)	\$ -
GIS Mapping System	2,923,561	54,435	(2,977,996)	-
Waterfront Development	16,556,950	12,195,061	-	28,752,011
Fort Conde Welcome Center - Roof	-	137,029	-	137,029
Sage Avenue Armory - New Renovations	1,226,660	238,569	(1,465,229)	-
Springhill Avenue Recreation Center Renovation	616,939	-	(616,939)	-
New Towing Facility - Impound Yard	797,951	8,688	(806,639)	-
New Public Safety Facility	5,732,206	903,808	-	6,636,014
Cruise Terminal and Gangway	3,065,647	-	(3,065,647)	-
Fire-Miscellaneous Fire Station Improvements	1,465,362	84,960	-	1,550,322
Kidd Park Improvements	15,928	-	-	15,928
Lavretta Park Improvements	84,484	12,029	(96,513)	-
Purchase and Renovate 200 Government St. Building	651,016	174,028	-	825,044
Fire-Warehouse Purchase & Renovate	-	-	-	-
Police-Renovate 850 St. Anthony Building	63,173	9,160	-	72,333
Ladd Stadium Renovations FY09	3,090,339	-	(3,090,339)	-
Parks-Mardi Gras Park	-	1,327	-	1,327
Theodore Area Park	5,988	63,127	-	69,115
New Theodore Fire Station	90,372	38,273	-	128,645
Metro 800 MHZ Emergency Radios	1,335,202	4,591,167	-	5,926,369
CDBG2010 - Taylor Park Pool	-	148,105	-	148,105
Parks - Annexed Areas	2,450	1,400	-	3,850
Total	<u>\$ 38,656,088</u>	<u>\$ 18,674,257</u>	<u>\$ (13,064,253)</u>	<u>\$ 44,266,092</u>

As of September 30, 2011, commitments to contractors on capital projects totaled approximately \$22.8 million. Budgeted costs to complete projects in progress totaled approximately \$31.8 million.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 7 - CAPITAL ASSETS (continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 15,540,579
Economic development	2,761
Public safety	1,980,730
Public works	774,302
Culture and recreation	2,043,715
Finance	8,643
Total depreciation expense	<u>\$ 20,350,730</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2011:

	<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, 10/1/10	\$ 10,463,676	\$ 600,177	\$ 126,200,373	\$ 12,078,134	\$ 15,945,135	\$ 6,567,279	\$ 171,854,774
Additions	83,247	418,288	39,858	656,033	322,664	159,995	1,680,085
Deductions	(3,000)	(656,034)	-	-	(1,859,912)	(18,556)	(2,537,502)
Balance, 9/30/11	<u>10,543,923</u>	<u>362,431</u>	<u>126,240,231</u>	<u>12,734,167</u>	<u>14,407,887</u>	<u>6,708,718</u>	<u>170,997,357</u>
<i>Accumulated Depreciation</i>							
Balance, 10/1/10	-	-	45,769,739	6,029,138	8,879,535	4,610,238	65,288,650
Additions	-	-	2,337,564	427,826	1,004,277	531,516	4,301,183
Deductions	-	-	-	-	(1,859,912)	(16,701)	(1,876,613)
Balance, 9/30/11	<u>-</u>	<u>-</u>	<u>48,107,303</u>	<u>6,456,964</u>	<u>8,023,900</u>	<u>5,125,053</u>	<u>67,713,220</u>
Capital Assets, Net	<u>\$ 10,543,923</u>	<u>\$ 362,431</u>	<u>\$ 78,132,928</u>	<u>\$ 6,277,203</u>	<u>\$ 6,383,987</u>	<u>\$ 1,583,665</u>	<u>\$ 103,284,137</u>

Approximately \$6.5 million (cost of \$12.1 million and accumulated depreciation of \$5.6 million) of the Municipal Parking Garage property is leased to others as of September 30, 2011. (See Note 13)

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

Civic center	\$ 409,718
Convention center	379,909
Cruise Terminal	1,255,806
WAVE Transit	1,786,560
Parking garage	201,644
Golf course	253,788
Firemedics	5,859
Tennis center	4,985
Affordable homes program	2,914
Total depreciation expense	<u>\$ 4,301,183</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 8 - LONG-TERM DEBT**

New Debt Issuances

On July 20, 2011, the City issued \$13,715,000 General Obligation Private Placement Warrants, Series 2011 with interest of 2.84% per annum. The Series 2011 Warrants were issued for the purpose of refunding the City's General Obligation Warrants, Series 2001, and to pay a portion of the related costs of construction and installation of a maritime museum.

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2011:

\$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	\$ -
\$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	8,070,000
\$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	53,285,000
\$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	1,735,000
\$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	147,814
\$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	1,443,130
\$13,715,000; 2011 General Obligation Private Placement Warrants, due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	13,715,000
Total bonds/warrants payable	<u>\$ 306,360,944</u>
\$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 at 2.28% per annum	\$ 200,000
\$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 2.77%	925,000
\$1,410,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$135,000 through August 2017, semi-annual interest payments at 3.22%	690,000
\$1,440,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$140,000 through August 2018, semi-annual interest payments at 3.56%	775,000
\$2,695,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$105,000 to \$200,000 through August 2025, semi-annual interest payments at 2.70%	2,140,000
Total notes payable	<u>\$ 4,730,000</u>



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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
2012		\$ 8,098,731	\$ 14,365,689	\$ 22,464,420
2013		10,272,767	13,963,027	24,235,794
2014		10,105,126	13,537,769	23,642,895
2015		12,389,320	13,060,984	25,450,304
2016		12,710,000	12,529,954	25,239,954
2017-2021		74,115,000	52,934,344	127,049,344
2022-2026		91,375,000	33,391,015	124,766,015
2027-2030		87,295,000	9,303,584	96,598,584
Subtotals		306,360,944	163,086,366	469,447,310
Plus: Bond Premium		4,182,495	(4,182,495)	-
Less: Deferred Bond Discount		(312,173)	312,173	-
Less: Deferred amount on refunding		(7,612,344)	7,612,344	-
Totals		<u>\$ 302,618,922</u>	<u>\$ 166,828,388</u>	<u>\$ 469,447,310</u>
Notes Payable				
2012		\$ 560,000	\$ 272,066	\$ 832,066
2013		385,000	242,466	627,466
2014		405,000	220,508	625,508
2015		430,000	196,876	626,876
2016		455,000	171,780	626,780
2017-2021		1,635,000	495,538	2,130,538
2022-2025		860,000	115,714	975,714
Totals		<u>\$ 4,730,000</u>	<u>\$ 1,714,948</u>	<u>\$ 6,444,948</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 8 - LONG-TERM DEBT (continued)**

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
2012	\$ 1,047,383	\$ 155,091	\$ 1,202,474
2013	894,088	122,893	1,016,981
2014	922,079	94,902	1,016,981
2015	950,961	66,020	1,016,981
2016	980,764	36,217	1,016,981
2017	492,520	9,978	502,498
Totals	<u>\$ 5,287,795</u>	<u>\$ 485,101</u>	<u>\$ 5,772,896</u>

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
2012	\$ 170,224	\$ 22,251	\$ 192,475
2013	177,339	15,135	192,474
2014	184,750	7,723	192,473
Totals	<u>\$ 532,313</u>	<u>\$ 45,109</u>	<u>\$ 577,422</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	\$ 4,826,507	\$ 1,527,798
Equipment	169,197	-
	4,995,704	1,527,798
Less: Accumulated amortization	973,317	1,069,459
	<u>\$ 4,022,387</u>	<u>\$ 458,339</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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, 2011:

	<u>Balance October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
General and limited obligation bonds/warrants	\$ 308,683,191	\$ 13,715,000	\$ 16,037,247	\$ 306,360,944	\$ 8,098,731
Plus: Bond premium	4,491,795	-	309,300	4,182,495	-
Less: Bond discount	(331,479)	-	(19,306)	(312,173)	-
Less: Deferred amount on refunding	<u>(8,035,227)</u>	<u>(452,242)</u>	<u>(875,125)</u>	<u>(7,612,344)</u>	<u>-</u>
Total general and limited obligation bonds/warrants	304,808,280	13,262,758	15,452,116	302,618,922	8,098,731
Notes payable	1,360,000	3,885,000	515,000	4,730,000	560,000
Obligations under capital leases	3,641,054	3,222,800	1,576,059	5,287,795	1,047,383
Compensated absences	14,604,541	667,575	1,074,445	14,197,671	1,074,445
Self-insured legal liability	420,000	1,768,111	1,373,111	815,000	407,500
Insurance claims	9,035,661	28,484,485	27,400,423	10,119,723	4,958,685
Landfill postclosure liability	933,117	-	39,415	893,702	40,992
OPEB liability	<u>76,750,000</u>	<u>26,495,000</u>	<u>-</u>	<u>103,245,000</u>	<u>-</u>
Total governmental activities	<u>411,552,653</u>	<u>77,785,729</u>	<u>47,430,569</u>	<u>441,907,813</u>	<u>16,187,736</u>
<u>Business-type Activities</u>					
Obligations under capital leases	695,707	-	163,393	532,314	170,224
Compensated absences	<u>411,915</u>	<u>519,513</u>	<u>521,573</u>	<u>409,855</u>	<u>83,046</u>
Total business-type activities	<u>1,107,622</u>	<u>519,513</u>	<u>684,966</u>	<u>942,169</u>	<u>253,270</u>
Total primary government	<u>\$ 412,660,275</u>	<u>\$ 78,305,242</u>	<u>\$ 48,115,535</u>	<u>\$ 442,849,982</u>	<u>\$ 16,441,006</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, 2011, the permissible debt limit exceeded actual debt by approximately \$209.3 million.

On October 1, 2010, the City of Mobile assumed the administration of approximately \$5 million in annual federal entitlement funds that had been previously administered for the City of Mobile by the Mobile Housing Board. At that time, the City assumed 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. The nature of these loans has now changed from contingent liabilities to direct obligations of the City of Mobile and are recorded on the books of the City as such. The debt on these HUD 108 loans is serviced until retirement with proceeds from a HUD Community Development Block Grant. The balances of the loans outstanding at September 30, 2011 totaled \$3,885,000.

**CITY OF MOBILE, ALABAMA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011**

**NOTE 9 - DEFEASANCE OF PRIOR DEBT**

The City had no defeased debt at September 30, 2011.

**NOTE 10 - CURRENT BOND REFUNDING**

On July 20, 2011 the City issued \$13,715,000 General Obligation Private Placement Warrants Series 2011 with interest of 2.84% per annum. The Series 2011 Warrants were issued for the purpose of refunding the City's General Obligation Warrants, Series 2001, and to pay a portion of the related costs of construction and installation of a maritime museum.

Simultaneously with the sale and issuance of the Series 2011 Warrants, the City will enter into a trust agreement requiring the City to deposit with a bank trustee (Escrow Trustee) certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2011 Warrants. The amount of \$10,657,242 was transferred to the Escrow Trustee to provide for the redemption and prepayment of the Series 2001 Warrants. The amount of \$3,057,758 was deposited into the 2011 Capital Improvement Fund to be applied to the costs of issuance of the Warrant and for cost of construction of the maritime museum. Substantially all of such monies are required to be invested by the Escrow Trustee in United States Treasury obligations. On August 22, 2011, the 2001 Series Warrants were called at a redemption price of 102% of the principal amount to be redeemed plus accrued interest to the date of redemption.

The debt issuance increased total debt service payments over the next 15 years by \$4,370,996. The present value of the increase in cash outflows is \$2,585,073 but this amount is reduced by the additional refunding funds on hand totaling \$3,000,008. This resulted in an economic gain of \$414,935.

**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)	\$ 4,260,938
Police and Firefighters Retirement Plan (PFFRP)	11,826,378
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>18,464</u>
Total	<u><u>\$ 16,105,780</u></u>

In addition to the above, the City has entered into an agreement and declaration of trust with Transit Management of Mobile, Inc. (the contracted operator), which contractually obligates the City (as plan sponsor) to reimburse the contracted Operator for payment of any pension plan or other employee benefits. This plan is discussed on pages 70 -72.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

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.

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 2011 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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

Total contributions to the pension plan in fiscal 2011 amounted to \$6,838,675 of which \$4,260,938 and \$2,577,737 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, 2010.

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.

Additional information:

Valuation date	9/30/10
Actuarial cost method	Entry Age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return*	8.00%
Projected salary increases*	4.61 - 7.75%
*Includes inflation at	4.50%
Cost-of-living adjustments	None

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, 2008	\$ 3,293,726	100%	-
September 30, 2009	\$ 4,428,407	100%	-
September 30, 2010	\$ 4,242,201	100%	-

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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 <sup>1</sup>	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a % of Covered Payroll (c)/(e)
9/30/2005	\$ 122,477,322	\$ 138,627,267	\$ 16,149,945	88.4 %	\$ 41,064,846	39.3 %
9/30/2006 <sup>2</sup>	\$ 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 %	\$ 42,240,873	67.3 %
9/30/2009	\$ 135,094,757	\$ 172,880,100	\$ 37,785,343	78.1 %	\$ 50,662,843	74.6 %
9/30/2010 <sup>3</sup>	\$ 131,909,321	\$ 179,327,291	\$ 47,417,970	73.6 %	\$ 47,539,003	99.7 %
9/30/2010 <sup>4</sup>	\$ 131,909,321	\$ 179,726,850	\$ 47,817,529	73.4 %	\$ 47,539,003	100.6 %

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

<sup>2</sup>Reflects changes in actuarial assumptions.

<sup>3</sup>Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

<sup>4</sup>Reflect the impact of Act 2011-27 as well as Act 2011-676, which increases the member contribution rates by 2.25% beginning October 1, 2011 and by an additional 0.25% beginning October 1, 2012.

\*Market Value of Assets as of September 30, 2010: \$109,432,364

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 who have earned less than 30 years of service contribute 8% of their basic salary to the fund. The City is required to contribute an amount each plan year which, when added to the member contributions and other contributions for that plan year, is equal to the Minimum Required Contribution for that plan year. The City's contribution is determined as of each October 1 and the contribution must be made within 18 months of that October 1. 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

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.

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 multiplied but the number of years in service and divided by twelve, not to exceed 75% of final average salary. Participating members hired on or after March 28, 1990, with 20 years of service (the last 10 years of which are consecutive) and who has attained 55 years of age, may retire and receive a monthly payment equal to 2.5% of the member's final average salary (average salary of the last five full years of active service) multiplied by the first 20 years of service, and 2.25% of the member's average salary for years 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, 2011**

**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:

	<u>% of Payroll</u>	
Employees	7.59 %	\$ 2,922,783
Fire insurance premiums	3.00 %	1,154,598
Municipal court fines	0.35 %	134,703
City of Mobile	<u>32.96 %</u>	<u>12,683,622</u>
	<u>43.90 %</u>	<u>\$16,895,706</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

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, 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 %
September 30, 2010	\$ 15,060,773	100 %	\$ 15,233,494	99 %

The schedule of funding progress is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Covered Payroll	UAAL as a % of Covered Payroll (3)/(5)
10/1/2005	\$ 83,819,260	\$ 197,225,687	\$ 113,406,427	42.5 %	\$32,055,235	353.8 %
10/1/2006	\$ 92,405,268	\$ 205,362,700	\$ 112,957,432	45.0 %	\$33,158,518	340.7 %
10/1/2007	\$105,396,066	\$ 222,111,577	\$ 116,715,511	47.5 %	\$36,488,843	319.9 %
10/1/2008	\$ 89,418,544	\$ 225,276,657	\$ 135,858,113	39.7 %	\$39,153,543	347.0 %
10/1/2009	\$ 98,525,321	\$ 225,176,329	\$ 126,651,008	43.8 %	\$37,828,223	334.8 %
10/1/2010	\$102,393,499	\$ 220,173,032	\$ 117,779,533	46.5 %	\$36,845,566	319.7 %

**Additional Information:**

Valuation Date: October 1, 2010

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%

Projected Salary Increase Rate: 4.00%

Inflation Component: 2.75%

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

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, 2011, 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, 2011, 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, 2011 were \$18,464.

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, 2011**

**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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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, 2005	\$ 412,155	100 %	-
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)
7/1/2005	\$ 1,640,163	\$ 3,716,181	\$ 2,076,018	44.14 %	\$ 2,766,040	75.05 %
7/1/2006	\$ 2,051,366	\$ 3,747,562	\$ 1,696,196	54.74 %	\$ 2,733,052	62.06 %
7/1/2007	\$ 2,645,002	\$ 4,537,095	\$ 1,892,093	58.30 %	\$ 3,280,678	57.67 %
7/1/2008	\$ 2,793,191	\$ 5,037,031	\$ 2,243,840	55.45 %	\$ 3,468,543	64.69 %
7/1/2009	\$ 3,231,272	\$ 5,465,587	\$ 2,234,315	59.12 %	\$ 3,452,194	64.72 %
7/1/2010	\$ 4,212,251	\$ 6,703,998	\$ 2,491,747	62.83 %	\$ 3,671,711	67.86 %

Additional information:

Valuation Date: July 1, 2010

Actuarial Cost Method: Unprojected Unit Credit

Amortization Method: Level percentage, closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value

Discount Rate: 5.63%

Salary Increase Rate: 4.00%

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

**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 2011, those costs totaled approximately \$5,943,136 and the liability for incurred and not paid claims totaled \$2,069,400.

*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 2011, 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, 2011**

**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, 2011
Annual OPEB Cost	\$ 33,891,000
Employer Contributions	(7,252,000)
Interest on Employer Contributions	(144,000)
Increase in the Net OPEB Obligation	26,495,000
Net OPEB Obligation, beginning of year	76,750,000
Net OPEB Obligation, end of year	\$ 103,245,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2010	\$ 36,564,000	17%	\$ 34,298,000	18%
September 30, 2011	\$ 37,458,000	20%	\$ 33,891,000	22%
September 30, 2012	\$ 38,973,000	19%	\$ 34,174,000	22%

*Funding Status and Funding Progress*

As of September 30, 2011, the actuarial accrued liability for benefits was \$278,507,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$90,791,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 306.8 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, 2011**

**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%
October 1, 2011	\$ -	\$ 278,507,000	\$ 278,507,000	0%	\$90,791,000	306.8%

*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, 2011
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):	<u>Medical</u>	<u>Dental</u>
Select rates	8% for 2011/2012 graded to 5.5% for 2016/17	Not applicable
Ultimate rate	5.0% per annum	3.0% per annum



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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, 2011:

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Projects	Enabling Legislation	\$ 2,463,625
Capital Projects	Legal Restriction	3,180,577
Debt Service	Legal Restriction	3,986,450
Economic Development	Enabling Legislation	5,696,551
Grant Programs	Grant Agreements	3,826,585
		<u>\$ 19,153,788</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, 2011**

**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 \$417,518 for fiscal year 2011 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 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, 2011.

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, 2011**

**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
2012	\$ 600,000	\$ 163,671	\$ 763,671
2013	600,000	163,671	763,671
2014	600,000	163,671	763,671
Totals	<u>\$ 1,800,000</u>	<u>\$ 491,013</u>	<u>\$ 2,291,013</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 \$815,000 and \$1,520,000. Consequently, the City has accrued at September 30, 2011, the lesser of the range equal to \$815,000. Loss contingencies categorized as "reasonably possible" range between \$361,000 and \$755,000.

HUD - Finding

The U.S. Department of Housing and Urban Development, Birmingham, Alabama office conducted an on-site monitoring of the City's CDBG and CDBG-R programs on June 5 - 10, 2011. The report as a result of that review outlined six findings and one concern. The review focused on the 2009 program year - a period when the Mobile Housing Board was administering the City's entitlement programs. The one major finding was the ineligibility of the Mobile Development Enterprises activity which was classified as an economic development activity but the documentation did not support this classification. The project also was not qualified at the time of funding. The finding resulted in a contingent liability of \$876,802. The City is working with the Mobile Housing Board to determine the required corrective action that must be taken.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)**

Governmental Funds Encumbrances

Major Governmental Funds:

General Fund	\$ 898,836
Capital Improvements Fund	5,871,387
2008 G. O. Capital Improvements Projects	170,878
Governmental Funds - Non-Major	<u>583,928</u>
Total Governmental Funds Encumbrances	<u>\$ 7,525,029</u>

**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 14, the City has determined and recorded an estimate of \$815,000 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.

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, 2011 is \$8,002,258.

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, 2011 is \$2,117,465.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**NOTE 15 - RISK MANAGEMENT (continued)**

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				
2009-2010	\$ 420,000	\$ 1,170,845	\$ 1,170,845	\$ 420,000
2010-2011	\$ 420,000	\$ 1,768,111	\$ 1,373,111	\$ 815,000
Employee Health				
2009-2010	\$ 2,114,828	\$22,926,271	\$ 22,968,773	\$ 2,072,326
2010-2011	\$ 2,072,327	\$24,565,525	\$ 24,520,387	\$ 2,117,465
Workers' Compensation				
2009-2010	\$ 7,298,112	\$ 2,146,887	\$ 2,481,665	\$ 6,963,334
2010-2011	\$ 6,963,334	\$ 4,151,492	\$ 3,112,568	\$ 8,002,258

**NOTE 16 - FUNDS DEFICITS OF NON-MAJOR FUNDS**

Deficits in net assets/fund balance of non-major funds at September 30, 2011, are as follows:

Non-major Special Revenue Fund	
7-Cent Gasoline Tax	\$ 6,599
Non-major Enterprise Fund	
Firemedics	\$ 588,677
Internal Service Fund	
Employee Health Fund	\$ 6,560,028

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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, 2011, 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 \$893,702 reported in the Statement of Net Assets as a landfill postclosure liability at September 30, 2011 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, 2011 with the terms and conditions requiring an annual renewal of the agreement.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**Note 19 - FUND BALANCE**

The components of fund balance for the City's governmental funds as of September 30, 2011 are as follows:

	General Fund	Capital Improvements Fund	2006 G.O. Refunding and Capital Projects	2008 G.O. Capital Improvements	2009B G O Cap Proj - BAB 2009 Taxable WTS	Special Revenue Funds - Non Major	Debt Service Funds - Non Major	Capital Projects Fund - Non Major	Total Governmental Funds
<b>Nonspendable</b>									
Inventory	\$ 2,244,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,244,640
Long-term Receivables	1,125,000	-	-	-	-	-	-	-	1,125,000
Prepaid Items	10,000	-	-	-	-	-	-	-	10,000
<b>Restricted for</b>									
Grants	3,826,585	-	-	-	-	-	-	-	3,826,585
Debt Service	-	-	-	-	-	-	3,986,450	-	3,986,450
Capital Projects	-	-	1,363,850	6,178,693	13,060,782	-	-	11,485,189	32,088,514
Road and Bridge Construction	-	-	-	-	-	230,890	-	-	230,890
Road and Bridge Repair	-	-	-	-	-	2,240,173	-	-	2,240,173
Law Enforcement	720,801	-	-	-	-	-	-	-	720,801
<b>Committed for:</b>									
Tax Increment Program	-	-	-	-	-	5,662,283	-	-	5,662,283
Flood Management	-	-	-	-	-	-	-	83,760	83,760
<b>Assigned to:</b>									
Economic Development Designated and Donated Funds	-	-	-	-	-	34,268	-	-	34,268
General Fund Encumbrances	1,038,806	-	-	-	-	-	-	-	1,038,806
Athletic Fund	898,836	-	-	-	-	-	-	-	898,836
Municipal Court	78,452	-	-	-	-	-	-	-	78,452
Capital Improvements Fund	788,521	-	-	-	-	-	-	-	788,521
Strategic Plan Fund	-	23,539,946	-	-	-	-	-	-	23,539,946
	-	-	-	-	-	-	-	6,893,258	6,893,258
<b>Unassigned</b>	24,722,193	-	-	-	-	(6,599)	-	-	24,715,594
<b>Total Fund Balance</b>	<u>\$ 35,453,834</u>	<u>\$ 23,539,946</u>	<u>\$ 1,363,850</u>	<u>\$ 6,178,693</u>	<u>\$ 13,060,782</u>	<u>\$ 8,161,015</u>	<u>\$ 3,986,450</u>	<u>\$ 18,462,207</u>	<u>\$ 110,206,777</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 20 - SUBSEQUENT EVENTS**

On October 22, 2011, Carnival Cruise Lines discontinued cruise operations from Mobile. 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, 2011**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 166,445,444	\$ 166,445,444	\$ 173,675,174	\$ 7,229,730
Licenses and permits	33,284,000	33,284,000	33,182,953	(101,047)
Intergovernmental	567,000	567,000	245,581	(321,419)
Charges for Services	7,870,000	7,870,000	8,559,708	689,708
Fines and forfeitures	3,104,656	4,116,000	4,468,316	352,316
State and federal assistance	-	-	11,292,544	11,292,544
Interest	210,000	210,000	252,771	42,771
Miscellaneous (other)	250,000	250,000	961,552	711,552
Total revenues	<u>211,731,100</u>	<u>212,742,444</u>	<u>232,638,599</u>	<u>19,896,155</u>
<b>Expenditures</b>				
<b>Departmental</b>				
<b>General government</b>				
City Clerk	591,202	592,103	583,188	8,915
Mayor's office	752,693	753,907	653,270	100,637
Mayor's Office of Strategic Initiatives	70,082	70,082	60,373	9,709
City Council	527,404	529,366	446,468	82,898
CitiSmart	268,696	268,635	214,284	54,351
City Hall Overhead	4,047,876	4,048,092	4,453,469	(405,377)
Archives	324,158	326,073	284,119	41,954
Legal	1,418,637	1,418,277	1,280,604	137,673
Urban development	4,574,304	4,588,018	4,012,684	575,334
Administrative services	277,016	274,809	261,449	13,360
Human resources	403,276	397,657	373,577	24,080
Municipal info. system	3,122,943	3,245,799	3,122,355	123,444
Geographical info. system	759,887	763,342	740,768	22,574
Telecommunications	803,756	810,539	771,945	38,594
Total general government	<u>17,941,930</u>	<u>18,086,699</u>	<u>17,258,553</u>	<u>828,146</u>
<b>Economic development</b>				
Mobile film office	188,046	188,046	151,490	36,556
Historic development	374,352	394,140	327,879	66,261
Neighborhood and community services	596,212	610,761	470,974	139,787
Total economic development	<u>1,158,610</u>	<u>1,192,947</u>	<u>950,343</u>	<u>242,604</u>
<b>Public safety</b>				
Police	45,063,201	45,213,357	42,210,523	3,002,834
Fire	27,448,981	27,477,827	24,719,616	2,758,211
Municipal court	4,521,837	4,011,483	3,215,385	796,098
Mobile Metro Jail	7,469,000	7,469,000	7,539,334	(70,334)
Animal shelter	865,310	880,290	757,192	123,098
Total public safety	<u>85,368,329</u>	<u>85,051,957</u>	<u>78,442,050</u>	<u>6,609,907</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, 2011**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Departmental (Cont'd)				
Public works				
Public service administration	\$ 241,878	\$ 249,418	\$ 246,454	\$ 2,964
Flood control	1,650,493	1,655,605	1,440,144	215,461
Administration	1,249,923	1,250,262	887,626	362,636
Concrete and sidewalk repair	1,625,522	1,695,924	1,432,708	263,216
Right-of-way maintenance	923,378	925,037	673,471	251,566
Asphalt street repair	1,300,880	1,322,428	737,790	584,638
Street sweeping	663,313	666,729	461,182	205,547
Dredge	899,112	903,680	734,591	169,089
Storm drain & heavy equipment	1,420,301	1,427,606	1,195,756	231,850
Landfill	2,387,759	2,290,038	2,345,288	(55,250)
Solid waste	3,655,877	3,701,412	3,314,888	386,524
Trash	3,473,869	3,476,963	3,059,892	417,071
Electrical	2,046,003	2,058,464	1,976,264	82,200
Engineering	1,736,310	1,739,028	1,569,052	169,976
Real estate office	229,260	229,664	195,878	33,786
Real estate management	172,058	172,089	167,624	4,465
Keep Mobile Beautiful	350,801	351,339	336,001	15,338
Municipal garage	9,645,599	9,875,371	9,244,134	631,237
Architectural engineering	1,350,627	1,350,909	1,168,888	182,021
Environmental services	666,830	670,173	551,626	118,547
Public buildings	2,241,436	2,245,037	2,043,638	201,399
Mechanical systems	1,769,249	1,776,621	1,592,674	183,947
Traffic engineering	1,440,941	1,472,979	1,259,136	213,843
Total public works	<u>41,141,419</u>	<u>41,506,776</u>	<u>36,634,705</u>	<u>4,872,071</u>
Culture and recreation				
Parks and recreation director	167,793	167,871	154,238	13,633
Community activities	115,559	116,723	127,165	(10,442)
Mobile Museum of Art	2,180,897	2,187,876	1,991,408	196,468
History Museum	1,433,384	1,270,728	1,087,222	183,506
Parks maintenance	4,504,273	4,540,870	3,779,739	761,131
Recreation - athletics	855,304	854,133	728,672	125,461
Recreation	3,556,181	3,564,497	3,206,779	357,718
Special activities	871,172	872,073	560,308	311,765
Parks and cemeteries	2,292,595	2,293,613	2,210,094	83,519
Mobile Regional Senior Community Center	524,856	529,885	461,694	68,191
Baseball stadium	5,820	5,820	-	5,820
Total culture and recreation	<u>16,507,834</u>	<u>16,404,089</u>	<u>14,307,319</u>	<u>2,096,770</u>
Finance				
Finance administration	400,682	400,712	444,164	(43,452)
Budget	269,539	269,539	226,663	42,876
Purchasing	413,067	413,296	355,560	57,736
Accounting	863,729	864,308	695,839	168,469
Inventory control	469,429	469,567	412,139	57,428
Treasury	352,401	352,555	332,843	19,712
Payroll	232,711	233,293	192,747	40,546
Police and fire pension	197,859	197,859	205,314	(7,455)
Revenue	2,244,486	2,254,557	1,855,733	398,824
Total finance	<u>5,443,903</u>	<u>5,455,686</u>	<u>4,721,002</u>	<u>734,684</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, 2011**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Attrition savings	\$ (10,555,454)	\$ (10,555,454)	\$ -	\$ (10,555,454)
Reserve for retirement	1,100,000	1,100,000	1,203,103	(103,103)
Total departmental expenditures	<u>158,106,571</u>	<u>158,242,700</u>	<u>153,517,075</u>	<u>4,725,625</u>
Nondepartmental				
Mandated activities				
Personnel Board	1,240,000	1,240,000	1,083,419	156,581
Board of Health	600,000	600,000	600,000	-
Juvenile court and youth center	3,000,000	3,000,000	2,730,880	269,120
Total mandated activities	<u>4,840,000</u>	<u>4,840,000</u>	<u>4,414,299</u>	<u>425,701</u>
Joint activities				
Board of equalization	7,152	7,152	7,143	9
Emergency management	432,876	432,876	396,803	36,073
Mobile legislative delegation	43,308	43,308	42,851	457
Total joint activities	<u>483,336</u>	<u>483,336</u>	<u>446,797</u>	<u>36,539</u>
Agencies				
Public Library	6,570,840	6,570,840	6,532,491	38,349
Total agencies	<u>6,570,840</u>	<u>6,570,840</u>	<u>6,532,491</u>	<u>38,349</u>
Employee cost				
Retired employees insurance	4,405,800	4,405,800	4,488,161	(82,361)
Employee education	120,000	120,000	92,140	27,860
Workmen's compensation	2,446,000	2,446,426	3,019,104	(572,678)
Unemployment compensation	125,000	125,000	122,379	22,621
Employees' pension	99,672	99,672	111,707	(12,035)
Police and firefighter's retirement	7,006,366	7,006,366	8,351,647	(1,345,281)
Total employee cost	<u>14,202,838</u>	<u>14,203,264</u>	<u>16,165,138</u>	<u>(1,961,874)</u>
Other				
Fire insurance	2,311,540	2,311,540	1,567,225	744,315
Contractual	4,513,577	4,523,577	4,298,950	224,627
South Alabama Regional Planning	-	-	3,665	(3,665)
Dues	439,826	439,826	438,941	885
Athletic fund	154,000	154,000	56,931	97,069
Police drug fund	-	32,059	233,081	(201,022)
State and federal projects	-	267,643	12,268,594	(12,000,951)
General miscellaneous	105,000	103,805	726,654	(622,849)
Total other	<u>7,523,943</u>	<u>7,832,450</u>	<u>19,594,041</u>	<u>(11,761,591)</u>
Total nondepartmental expenditures	<u>33,620,957</u>	<u>33,929,890</u>	<u>47,152,766</u>	<u>(13,222,876)</u>
Total expenditures	<u>191,727,528</u>	<u>192,172,590</u>	<u>200,669,841</u>	<u>(8,497,251)</u>
Excess (deficiency) of revenues over expenditures	<u>20,003,572</u>	<u>20,569,854</u>	<u>31,968,758</u>	<u>11,398,904</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 3,776,272	\$ 3,797,807	\$ 8,270,512	\$ 4,472,705
Transfers out	(17,276,499)	(17,443,499)	(18,759,129)	(1,315,630)
Insurance Recoveries	-	-	1,559	1,559
Sales of general capital assets	2,400	2,400	16,822	14,422
Total other financing sources (uses)	<u>(13,497,827)</u>	<u>(13,643,292)</u>	<u>(10,470,236)</u>	<u>3,173,056</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>6,505,745</u>	<u>6,926,562</u>	<u>21,498,522</u>	<u>\$ 14,571,960</u>
Fund balances				
Beginning of the year	<u>(12,372,497)</u>	<u>(30,026,260)</u>	<u>13,056,476</u>	
End of the year	<u>\$ (5,866,752)</u>	<u>\$ (23,099,698)</u>	<u>\$ 34,554,998</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			\$ 21,498,522	
Encumbrances outstanding at September 30, 2011			898,836	
Encumbrances outstanding at September 30, 2010			<u>(823,219)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			<u>\$ 21,574,139</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, 2011**

**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, 2011:

GAAP expenditures	\$ 200,594,224
Encumbrances at:	
September 30, 2011	898,836
September 30, 2010	<u>(823,219)</u>
Budgetary expenditures	<u><u>\$ 200,669,841</u></u>

For the fiscal year ended September 30, 2011, general fund expenditures exceeded budgetary appropriations by \$8,497,251.

**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, 2011	\$ 34,554,998
Add encumbrances:	
Function	
General government	88,770
Economic development	11,485
Public safety	214,334
Public works	478,651
Culture and recreation	76,587
Finance	29,009
Other	-
Total encumbrances	<u>898,836</u>
Fund balance - GAAP basis at September 30, 2011	<u><u>\$ 35,453,834</u></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, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 6,320,961	\$ 3,986,450	\$ 18,378,418	\$ 28,685,829
Receivables, net	<u>2,788,005</u>	<u>-</u>	<u>1,833,000</u>	<u>4,621,005</u>
Total assets	<u>\$ 9,108,966</u>	<u>\$ 3,986,450</u>	<u>\$ 20,211,418</u>	<u>\$ 33,306,834</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 947,951	\$ -	\$ 1,349,211	\$ 2,297,162
Due to other funds	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Total liabilities	<u>947,951</u>	<u>-</u>	<u>1,749,211</u>	<u>2,697,162</u>
<b>FUND BALANCES</b>				
Restricted	2,471,063	3,986,450	11,485,189	17,942,702
Committed	5,662,283	-	83,760	5,746,043
Assigned	34,268	-	6,893,258	6,927,526
Unassigned	<u>(6,599)</u>	<u>-</u>	<u>-</u>	<u>(6,599)</u>
Total fund balances	<u>8,161,015</u>	<u>3,986,450</u>	<u>18,462,207</u>	<u>30,609,672</u>
Total liabilities and fund balances	<u>\$ 9,108,966</u>	<u>\$ 3,986,450</u>	<u>\$ 20,211,418</u>	<u>\$ 33,306,834</u>

**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, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues				
Taxes	\$ 6,974,461	\$ -	\$ 9,913,828	\$ 16,888,289
Licenses and permits	-	-	2,671,011	2,671,011
State and federal assistance	-	-	1,237,983	1,237,983
Interest	3,546	4,473	34,789	42,808
Other revenue	4,202,173	-	1,000,000	5,202,173
Total revenues	<u>11,180,180</u>	<u>4,473</u>	<u>14,857,611</u>	<u>26,042,264</u>
Expenditures				
Current:				
Nondepartmental	2,624,980	-	807,151	3,432,131
Capital outlay	5,341,609	-	11,886,945	17,228,554
Debt Service:				
Principal payments	-	5,832,246	-	5,832,246
Interest and fees	1,100	14,227,597	104,752	14,333,449
Total expenditures	<u>7,967,689</u>	<u>20,059,843</u>	<u>12,798,848</u>	<u>40,826,380</u>
Excess (deficiency) of revenues over expenditures	<u>3,212,491</u>	<u>(20,055,370)</u>	<u>2,058,763</u>	<u>(14,784,116)</u>
Other financing sources (uses)				
Capital-related debt issued	-	-	13,715,000	13,715,000
Payment to refunding bond escrow agent	-	-	(10,657,242)	(10,657,242)
Bond issuance costs	-	-	(57,750)	(57,750)
Transfers in	-	20,547,690	-	20,547,690
Transfers out	(1,531,840)	-	(9,519,179)	(11,051,019)
Total other financing sources (uses)	<u>(1,531,840)</u>	<u>20,547,690</u>	<u>(6,519,171)</u>	<u>12,496,679</u>
Net change in fund balance	1,680,651	492,320	(4,460,408)	(2,287,437)
Fund balances, beginning of the year	<u>6,480,364</u>	<u>3,494,130</u>	<u>22,922,615</u>	<u>32,897,109</u>
Fund balances, end of the year	<u>\$ 8,161,015</u>	<u>\$ 3,986,450</u>	<u>\$ 18,462,207</u>	<u>\$ 30,609,672</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, 2011**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 451,277	\$ 173,133	\$ -	\$ 624,410
Receivables, net	2,520,660	57,757	202,149	2,780,566
Total assets	<u>\$ 2,971,937</u>	<u>\$ 230,890</u>	<u>\$ 202,149</u>	<u>\$ 3,404,976</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 519,368	\$ -	\$ 208,748	\$ 728,116
Retainage payable	219,835	-	-	219,835
Total liabilities	<u>739,203</u>	<u>-</u>	<u>208,748</u>	<u>947,951</u>
Fund Balances:				
Restricted	2,232,734	230,890	-	2,463,624
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(6,599)	(6,599)
Total fund balances	<u>2,232,734</u>	<u>230,890</u>	<u>(6,599)</u>	<u>2,457,025</u>
Total liabilities and fund balances	<u>\$ 2,971,937</u>	<u>\$ 230,890</u>	<u>\$ 202,149</u>	<u>\$ 3,404,976</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ -	\$ 34,268	\$ 5,662,283	\$ 6,320,961
7,439	-	-	2,788,005
<u>\$ 7,439</u>	<u>\$ 34,268</u>	<u>\$ 5,662,283</u>	<u>\$ 9,108,966</u>
\$ -	\$ -	\$ -	\$ 728,116
-	-	-	219,835
<u>-</u>	<u>-</u>	<u>-</u>	<u>947,951</u>
7,439	-	-	2,471,063
-	-	5,662,283	5,662,283
-	34,268	-	34,268
-	-	-	(6,599)
<u>7,439</u>	<u>34,268</u>	<u>5,662,283</u>	<u>8,161,015</u>
<u>\$ 7,439</u>	<u>\$ 34,268</u>	<u>\$ 5,662,283</u>	<u>\$ 9,108,966</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, 2011**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
Revenues				
Taxes	\$ 1,352,706	\$ 664,366	\$ 2,325,280	\$ 4,342,352
Interest	-	-	-	-
Other revenue	4,199,007	-	-	4,199,007
Total revenues	<u>5,551,713</u>	<u>664,366</u>	<u>2,325,280</u>	<u>8,541,359</u>
Expenditures				
Nondepartmental				
Economic development	-	-	-	-
Gas	-	-	49,150	49,150
Electricity	-	-	2,366,160	2,366,160
Professional and technical	-	-	-	-
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,415,310</u>	<u>2,415,310</u>
Capital outlay				
Construction	5,184,275	-	-	5,184,275
Testing	48,750	-	-	48,750
Right-of-way and realty	1,871	-	-	1,871
Commodities	-	-	-	-
Professional services	885	-	-	885
Total capital outlay	<u>5,235,781</u>	<u>-</u>	<u>-</u>	<u>5,235,781</u>
Total expenditures	<u>5,235,781</u>	<u>-</u>	<u>2,415,310</u>	<u>7,651,091</u>
Excess (deficiency) of revenues over expenditures	315,932	664,366	(90,030)	890,268
Other financing sources (uses)				
Transfers out	-	(600,000)	73,552	(526,448)
Interest and fees	-	-	-	-
Net change in fund balance	<u>315,932</u>	<u>64,366</u>	<u>(16,478)</u>	<u>363,820</u>
Fund balances, beginning of the year	<u>1,916,802</u>	<u>166,524</u>	<u>9,879</u>	<u>2,093,205</u>
Fund balances, end of the year	<u>\$ 2,232,734</u>	<u>\$ 230,890</u>	<u>\$ (6,599)</u>	<u>\$ 2,457,025</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ 83,181	\$ -	\$ 2,548,928	\$ 6,974,461
-	19	3,527	3,546
-	3,166	-	4,202,173
<u>83,181</u>	<u>3,185</u>	<u>2,552,455</u>	<u>11,180,180</u>
-	-	197,190	197,190
-	-	-	49,150
-	-	-	2,366,160
-	12,480	-	12,480
<u>-</u>	<u>12,480</u>	<u>197,190</u>	<u>2,624,980</u>
-	-	104,759	5,289,034
-	-	-	48,750
-	-	-	1,871
-	-	1,071	1,071
-	-	-	885
<u>-</u>	<u>-</u>	<u>105,830</u>	<u>5,341,611</u>
<u>-</u>	<u>12,480</u>	<u>303,020</u>	<u>7,966,591</u>
83,181	(9,295)	2,249,435	3,213,589
(83,007)	-	(922,385)	(1,531,840)
-	-	(1,100)	(1,100)
<u>174</u>	<u>(9,295)</u>	<u>1,325,950</u>	<u>1,680,649</u>
<u>7,265</u>	<u>43,563</u>	<u>4,336,333</u>	<u>6,480,366</u>
<u>\$ 7,439</u>	<u>\$ 34,268</u>	<u>\$ 5,662,283</u>	<u>\$ 8,161,015</u>



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

<b><u>Program/Project Name</u></b>	<b><u>Project Cost Prior Years</u></b>	<b><u>Current Activity</u></b>	<b><u>Total Project to September 30 2011</u></b>
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ -	\$ 5,235,781	\$ 5,235,781
Total 4 cent gasoline tax fund	<u>-</u>	<u>5,235,781</u>	<u>5,235,781</u>
Tax Increment Fund			
TIF District - infrastructure project	-	304,119	304,119
Total tax increment fund	<u>-</u>	<u>304,119</u>	<u>304,119</u>
Total special revenue funds projects	<u>\$ -</u>	<u>\$ 5,539,900</u>	<u>\$ 5,539,900</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 5,201,718	\$ -	\$ 34,063
-	5,201,718	-	34,063
-	-	-	304,119
-	-	-	304,119
\$ -	\$ 5,201,718	\$ -	\$ 338,182

## **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.
- 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, 2011**

	<u>2001 General Obligation Refunding and School Warrants</u>	<u>Bank Service Charges - Various Issues</u>	<u>2002 Limited Obligation Tax Increment Warrants</u>	<u>2006 General Obligation Refunding and Improvement Warrants</u>	<u>2006 General Obligation Private Placement Warrants</u>
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ 401,624	\$ 136,026	\$ -	\$ 1,639,171	\$ 3,068
Total assets	<u>\$ 401,624</u>	<u>\$ 136,026</u>	<u>\$ -</u>	<u>\$ 1,639,171</u>	<u>\$ 3,068</u>
<b>FUND BALANCES</b>					
Restricted	<u>\$ 401,624</u>	<u>\$ 136,026</u>	<u>\$ -</u>	<u>\$ 1,639,171</u>	<u>\$ 3,068</u>

<u>2008 General Obligation Cap Impv Warrants</u>	<u>2008B &amp; C General Obligation Ref &amp; Cap Warrants</u>	<u>Small Issue Warrants</u>	<u>2009 General Obligation Warrants - Copiers</u>	<u>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>
\$ 984	\$ 403,114	\$ 2,558	\$ 2,190	\$ 766,377	\$ 422,878	\$ 208,460	\$ 3,986,450
<u>\$ 984</u>	<u>\$ 403,114</u>	<u>\$ 2,558</u>	<u>\$ 2,190</u>	<u>\$ 766,377</u>	<u>\$ 422,878</u>	<u>\$ 208,460</u>	<u>\$ 3,986,450</u>
<u>\$ 984</u>	<u>\$ 403,114</u>	<u>\$ 2,558</u>	<u>\$ 2,190</u>	<u>\$ 766,377</u>	<u>\$ 422,878</u>	<u>\$ 208,460</u>	<u>\$ 3,986,450</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, 2011**

	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	\$ 87	\$ 123	\$ -	\$ 1,908	\$ 1	\$ 279
Total revenues	<u>87</u>	<u>123</u>	<u>-</u>	<u>1,908</u>	<u>1</u>	<u>279</u>
Expenditures						
Principal payments	2,155,000	-	475,000	2,380,000	305,000	-
Interest	297,946	-	447,135	2,629,975	88,425	2,492,900
Interest reimbursement	-	-	-	-	-	-
Bank fees	1,930	(25)	250	1,675	-	-
Total expenditures	<u>2,454,876</u>	<u>(25)</u>	<u>922,385</u>	<u>5,011,650</u>	<u>393,425</u>	<u>2,492,900</u>
Excess (deficiency) of revenues over expenditures	<u>(2,454,789)</u>	<u>148</u>	<u>(922,385)</u>	<u>(5,009,742)</u>	<u>(393,424)</u>	<u>(2,492,621)</u>
Other financing sources (uses)						
Transfers in	2,691,515	79	922,385	5,009,975	393,425	2,492,901
Total other financing sources (uses)	<u>2,691,515</u>	<u>79</u>	<u>922,385</u>	<u>5,009,975</u>	<u>393,425</u>	<u>2,492,901</u>
Net change in fund balances	236,726	227	-	233	1	280
Fund balances, beginning of the year	<u>164,898</u>	<u>135,799</u>	<u>-</u>	<u>1,638,938</u>	<u>3,067</u>	<u>704</u>
Fund balances, end of the year	<u>\$ 401,624</u>	<u>\$ 136,026</u>	<u>\$ -</u>	<u>\$ 1,639,171</u>	<u>\$ 3,068</u>	<u>\$ 984</u>

2008B & C General Obligation Ref & Cap Warrants	Small Issue Warrants	2009 General Obligation Warrants - Copiers	2009A General Obligation Refunding Warrants	2009B General Obligation BAB Cap Taxable Warrants	2009C General Obligation ARRA Cap Taxable Warrants	Total
\$ 828	\$ 5	\$ -	\$ 913	\$ 260	\$ 69	\$ 4,473
<u>828</u>	<u>5</u>	<u>-</u>	<u>913</u>	<u>260</u>	<u>69</u>	<u>4,473</u>
-	374,966	142,280	-	-	-	5,832,246
4,293,479	73,054	11,140	2,756,700	1,020,150	391,266	14,502,170
-	(13,457)	-	-	(178,526)	(88,035)	(280,018)
-	2	-	1,614	(1)	-	5,445
<u>4,293,479</u>	<u>434,565</u>	<u>153,420</u>	<u>2,758,314</u>	<u>841,623</u>	<u>303,231</u>	<u>20,059,843</u>
<u>(4,292,651)</u>	<u>(434,560)</u>	<u>(153,420)</u>	<u>(2,757,401)</u>	<u>(841,363)</u>	<u>(303,162)</u>	<u>(20,055,370)</u>
4,293,479	422,395	153,420	2,756,700	1,020,150	391,266	20,547,690
<u>4,293,479</u>	<u>422,395</u>	<u>153,420</u>	<u>2,756,700</u>	<u>1,020,150</u>	<u>391,266</u>	<u>20,547,690</u>
828	(12,165)	-	(701)	178,787	88,104	492,320
<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>\$ 403,114</u>	<u>\$ 2,558</u>	<u>\$ 2,190</u>	<u>\$ 766,377</u>	<u>\$ 422,878</u>	<u>\$ 208,460</u>	<u>\$ 3,986,450</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.
- 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.
- 2011 General Obligation Private Placement Capital Improvements – This fund is used to pay a portion of the costs of the construction of a maritime museum.



**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 2011**

	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
<b>ASSETS</b>								
Cash, equity in pooled cash and investments	\$ 5,460,518	\$ 54,323	\$ 299,632	\$ 3,021,157	\$ 1,897,189	\$ 1,147,661	\$ -	\$ 9,661
Receivables, net	1,833,000	-	-	-	-	-	-	-
Total assets	<u>\$ 7,293,518</u>	<u>\$ 54,323</u>	<u>\$ 299,632</u>	<u>\$ 3,021,157</u>	<u>\$ 1,897,189</u>	<u>\$ 1,147,661</u>	<u>\$ -</u>	<u>\$ 9,661</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 260	\$ -	\$ -	\$ 76,661	\$ 69,734	\$ 42,500	\$ -	\$ -
Retainage payable	-	-	1,606	465	6,363	17,106	-	-
Due to other funds	400,000	-	-	-	-	-	-	-
Total liabilities	<u>400,260</u>	<u>-</u>	<u>1,606</u>	<u>77,126</u>	<u>76,097</u>	<u>59,606</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted	-	54,323	298,026	2,944,031	1,821,092	1,088,055	-	9,661
Committed	-	-	-	-	-	-	-	-
Assigned	6,893,258	-	-	-	-	-	-	-
Total fund balances	<u>6,893,258</u>	<u>54,323</u>	<u>298,026</u>	<u>2,944,031</u>	<u>1,821,092</u>	<u>1,088,055</u>	<u>-</u>	<u>9,661</u>
Total liabilities and fund balances	<u>\$ 7,293,518</u>	<u>\$ 54,323</u>	<u>\$ 299,632</u>	<u>\$ 3,021,157</u>	<u>\$ 1,897,189</u>	<u>\$ 1,147,661</u>	<u>\$ -</u>	<u>\$ 9,661</u>

2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Management	2008B General Obligation Capital Improvement Projects	2008C General Obligation Capital Improvement Projects	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	Total
\$ 651,094	\$ 152,787	\$ 83,760	\$ 809,600	\$ 2,498	\$ 1,644,509	\$ 142,611	\$ 3,001,418	\$ 18,378,418
-	-	-	-	-	-	-	-	1,833,000
<u>\$ 651,094</u>	<u>\$ 152,787</u>	<u>\$ 83,760</u>	<u>\$ 809,600</u>	<u>\$ 2,498</u>	<u>\$ 1,644,509</u>	<u>\$ 142,611</u>	<u>\$ 3,001,418</u>	<u>\$ 20,211,418</u>
\$ 51,507	\$ -	\$ -	\$ 299	\$ -	\$ 1,079,999	\$ -	\$ -	\$ 1,320,960
2,711	-	-	-	-	-	-	-	28,251
-	-	-	-	-	-	-	-	400,000
<u>54,218</u>	<u>-</u>	<u>-</u>	<u>299</u>	<u>-</u>	<u>1,079,999</u>	<u>-</u>	<u>-</u>	<u>1,749,211</u>
596,876	152,787	-	809,301	2,498	564,510	142,611	3,001,418	11,485,189
-	-	83,760	-	-	-	-	-	83,760
-	-	-	-	-	-	-	-	6,893,258
<u>596,876</u>	<u>152,787</u>	<u>83,760</u>	<u>809,301</u>	<u>2,498</u>	<u>564,510</u>	<u>142,611</u>	<u>3,001,418</u>	<u>18,462,207</u>
<u>\$ 651,094</u>	<u>\$ 152,787</u>	<u>\$ 83,760</u>	<u>\$ 809,600</u>	<u>\$ 2,498</u>	<u>\$ 1,644,509</u>	<u>\$ 142,611</u>	<u>\$ 3,001,418</u>	<u>\$ 20,211,418</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, 2011**

	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
<b>Revenues</b>								
Sales tax	\$ 3,763,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	2,192,457	-	-	-	-	-	-	-
Motor fuel - tax	2,260,033	-	-	-	-	-	-	-
Room - tax	1,697,447	-	-	-	-	-	-	-
Business license	2,671,011	-	-	-	-	-	-	-
State and federal assistance	-	-	-	1,237,983	-	-	-	-
Interest	13,787	-	297	2,609	7,634	1,892	-	39
Other revenue	1,000,000	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>13,598,626</b>	<b>-</b>	<b>297</b>	<b>1,240,592</b>	<b>7,634</b>	<b>1,892</b>	<b>-</b>	<b>39</b>
<b>Expenditures</b>								
<b>Current</b>								
Nondepartmental	763,671	-	-	-	-	-	-	-
Interest and fees	-	-	-	101,602	-	-	-	-
<b>Capital outlay</b>								
Capitalized equipment	23,252	-	-	-	-	-	-	-
Right-of-way and realty	-	-	-	350	1,535	50	-	-
Testing	-	-	-	3,869	-	-	-	-
Engineering	-	-	500	15,108	6,100	222,500	-	-
Architectural	-	-	-	5,980	-	-	-	-
Commodities	166,263	-	21,264	121,187	3,335	24,702	-	3,890
Construction	-	-	8,188	287,516	181,611	6,780	-	-
Professional services	139,314	-	42,032	217,803	-	32	-	-
Other	2,051,611	-	1	(1)	-	-	-	-
<b>Total capital outlay</b>	<b>2,380,440</b>	<b>-</b>	<b>71,985</b>	<b>651,812</b>	<b>192,581</b>	<b>254,064</b>	<b>-</b>	<b>3,890</b>
<b>Total expenditures</b>	<b>3,144,111</b>	<b>-</b>	<b>71,985</b>	<b>753,414</b>	<b>192,581</b>	<b>254,064</b>	<b>-</b>	<b>3,890</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>10,454,515</b>	<b>-</b>	<b>(71,688)</b>	<b>487,178</b>	<b>(184,947)</b>	<b>(252,172)</b>	<b>-</b>	<b>(3,851)</b>
<b>Other financing uses</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(9,125,675)	-	-	(393,425)	-	-	(79)	-
Capital-related debt issued	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-
Premium (Discount) on bonds issued	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(9,125,675)</b>	<b>-</b>	<b>-</b>	<b>(393,425)</b>	<b>-</b>	<b>-</b>	<b>(79)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>1,328,840</b>	<b>-</b>	<b>(71,688)</b>	<b>93,753</b>	<b>(184,947)</b>	<b>(252,172)</b>	<b>(79)</b>	<b>(3,851)</b>
<b>Fund balances, beginning</b>	<b>5,564,418</b>	<b>54,323</b>	<b>369,714</b>	<b>2,850,278</b>	<b>2,006,039</b>	<b>1,340,227</b>	<b>79</b>	<b>13,512</b>
<b>Fund balances, ending</b>	<b>\$ 6,893,258</b>	<b>\$ 54,323</b>	<b>\$ 298,026</b>	<b>\$ 2,944,031</b>	<b>\$ 1,821,092</b>	<b>\$ 1,088,055</b>	<b>\$ -</b>	<b>\$ 9,661</b>

2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Management	2008B General Obligation Capital Improvement Projects	2008C General Obligation Capital Improvement Projects	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,763,891
-	-	-	-	-	-	-	-	2,192,457
-	-	-	-	-	-	-	-	2,260,033
-	-	-	-	-	-	-	-	1,697,447
-	-	-	-	-	-	-	-	2,671,011
-	-	-	-	-	-	-	-	1,237,983
538	94	42	719	1	5,341	386	1,410	34,789
-	-	-	-	-	-	-	-	1,000,000
<u>538</u>	<u>94</u>	<u>42</u>	<u>719</u>	<u>1</u>	<u>5,341</u>	<u>386</u>	<u>1,410</u>	<u>14,857,611</u>
-	-	-	-	-	-	43,480	-	807,151
-	-	-	3,150	-	-	-	-	104,752
-	-	-	10,800	-	-	1,812,841	-	1,846,893
780	-	-	-	-	-	-	-	2,715
2,292	-	-	-	-	-	-	-	6,161
1,259	-	-	3,919	-	-	-	-	249,386
-	-	-	96,440	-	-	-	-	102,420
-	-	-	78,607	-	58,586	-	-	477,834
215,808	-	-	220,394	-	5,754,310	-	-	6,674,607
-	-	-	76,138	-	-	-	-	475,319
-	-	-	(1)	-	-	-	-	2,051,610
<u>220,139</u>	<u>-</u>	<u>-</u>	<u>486,297</u>	<u>-</u>	<u>5,812,896</u>	<u>1,812,841</u>	<u>-</u>	<u>11,886,945</u>
<u>220,139</u>	<u>-</u>	<u>-</u>	<u>489,447</u>	<u>-</u>	<u>5,812,896</u>	<u>1,856,321</u>	<u>-</u>	<u>12,798,848</u>
(219,601)	94	42	(488,728)	1	(5,807,555)	(1,855,935)	1,410	2,058,763
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(9,519,179)
-	-	-	-	-	-	-	13,715,000	13,715,000
-	-	-	-	-	-	-	(10,657,242)	(10,657,242)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(57,750)	(57,750)
-	-	-	-	-	-	-	3,000,008	(6,519,171)
(219,601)	94	42	(488,728)	1	(5,807,555)	(1,855,935)	3,001,418	(4,460,408)
<u>816,477</u>	<u>152,693</u>	<u>83,718</u>	<u>1,298,029</u>	<u>2,497</u>	<u>6,372,065</u>	<u>1,998,546</u>	<u>-</u>	<u>22,922,615</u>
<u>\$ 596,876</u>	<u>\$ 152,787</u>	<u>\$ 83,760</u>	<u>\$ 809,301</u>	<u>\$ 2,498</u>	<u>\$ 564,510</u>	<u>\$ 142,611</u>	<u>\$ 3,001,418</u>	<u>\$ 18,462,207</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2011
General Government			
Multipurpose			
Mobile Housing Board - home grant	\$ -	\$ 1,193,421	\$ 1,193,421
Miscellaneous bank service charges	-	7,649	7,649
Issue costs/bank charges	-	9,450	9,450
2011 Private Placement Warrants issue costs	-	57,750	57,750
Finance - general government equip and misc items	-	109,977	109,977
John Williams - District 4	-	506	506
Reserve for Contingency - Tax Increment Fund	-	101,602	101,602
Administrative services	-	40,960	40,960
Building and grounds allowance	-	310,596	310,596
City share - economic development	-	20,881	20,881
Citywide strategic and marketing plans	511,404	37,260	548,664
Demolitions - condemned buildings	-	104,800	104,800
Equipment - animal shelter	-	52,050	52,050
Equipment - council misc.	-	14,518	14,518
Equipment - public works	-	37,536	37,536
Equipment - telecommunications	-	165,575	165,575
Expand municipal garage	931,860	13,091	944,951
Financial software maintenance	-	160,045	160,045
Sage avenue armory	1,226,660	238,569	1,465,229
GIS/aerial mapping system	2,762,561	54,436	2,816,997
Housing First/homeless center	-	67,500	67,500
Lease purchase - heavy equipment	-	53,760	53,760
Workforce development	-	54,000	54,000
Mechanical maintenance - maintenance projects	-	137,628	137,628
Mobile Area Education Fund	-	135,000	135,000
Mobile Airport - rent Aviation Training School	-	10,112	10,112
New parking garage - downtown	-	1,591	1,591
Public buildings - maintenance projects	-	65,238	65,238
Renovations CitiSmart conference room	-	1,547	1,547
Telephone switch upgrade	92,609	-	92,609
Strategic planning - consultant and misc.	-	43,538	43,538
Strategic planning - comm/react/CitiSmart	-	126,073	126,073
Total multipurpose	5,525,094	3,426,659	8,951,753

Disposition				
In-Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ -	\$ -	\$ 1,193,421	\$ -	
-	-	7,649	-	
-	-	9,450	-	
-	-	57,750	-	
-	-	109,977	-	
-	-	506	-	
-	-	101,602	-	
-	-	12,518	28,442	
-	-	310,596	-	
-	-	20,881	-	
548,664	-	-	-	
-	-	104,800	-	
-	-	52,050	-	
-	-	14,518	-	
-	-	24,013	13,523	
-	-	165,575	-	
-	-	-	944,951	
-	-	160,045	-	
-	-	-	1,465,229	
-	-	-	2,816,997	
-	-	67,500	-	
-	-	-	53,760	
-	-	54,000	-	
-	-	134,337	3,291	
-	-	135,000	-	
-	-	10,112	-	
-	-	1,591	-	
-	-	65,238	-	
-	-	1,547	-	
92,609	-	-	-	
-	-	43,538	-	
-	-	126,073	-	
<u>641,273</u>	<u>-</u>	<u>2,984,287</u>	<u>5,326,193</u>	

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2011
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 5,049	\$ 5,049
Various drainage pipe repair	511,708	-	511,708
2006 Drainage projects	-	1,607	1,607
2007 Annex areas 1 & 2	3,042,626	10,738	3,053,364
2008 Misc drainage/pipes	189,783	-	189,783
Misc. drainage pipes	71,298	97,786	169,084
Bayou St. Board of Health	180,633	3,292	183,925
Big Stickney Culvert at Springhill Avenue	49,363	-	49,363
Carlisle phase 2 - Morlee Drive to Illinois Central Gulf Railroad	3,664,807	11,813	3,676,620
Conception Street drainage	84,762	50	84,812
Citywide storm drainage repairs	138,855	35,372	174,227
Cottage Hill - bridge repair	13,450	-	13,450
Craft Highway - bridge repair	69,198	-	69,198
Dauphin Street extension drainage	2,059,845	-	2,059,845
Dubroca emergency drainage	-	111,247	111,247
Emogene Street bridge repairs	-	128,749	128,749
Eslava Creek repairs at Wimbleton	138,055	-	138,055
Eslava Creek at Airport	73,953	-	73,953
Environment testing and upgrade	-	6,440	6,440
Florida Street - Woodcock Creek - Dauphin	7,838,801	71,955	7,910,756
Granada Drive and Spring Creek	226,612	186,767	413,379
Halls Mill Road at Moore - bridge	51,597	-	51,597
Hillwood Road - District 5	581,437	-	581,437
Ice House Branch drainage	2,156,223	1,259	2,157,482
Little Stickney - 3 mile tributary	3,810,586	-	3,810,586
Little Stickney - Springhill to Louiselle	1,166,632	174	1,166,806
Macy Place drainage	2,946,152	-	2,946,152
Michigan Avenue bridge repairs	1,104,026	103,820	1,207,846
Michigan Avenue bridge repairs-2	229,818	-	229,818
Middle Branch - Moores Creek	24,154	327,741	351,895
Mississippi Street drainage	-	52,634	52,634
Montlimar Canal repairs	88,158	3,507	91,665
NRCS Erosion Debris removal	921,489	-	921,489
Rosedale emergency drainage	-	54,218	54,218
Seabreeze Road East drainage	217,266	-	217,266
Springhill Avenue and Ann Street	2,633	-	2,633
Southern drain phase 2	6,876,704	37,387	6,914,091
Trinity Gardens ditch enclosures	965	241,173	242,138
Wilshire Road drainage	19,800	-	19,800
Total environmental	<u>38,551,389</u>	<u>1,492,778</u>	<u>40,044,167</u>

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 5,049	\$ -
-	511,708	-	-
-	1,607	-	-
-	3,053,364	-	-
-	189,783	-	-
-	169,084	-	-
-	183,925	-	-
-	49,363	-	-
-	3,676,620	-	-
-	84,812	-	-
-	-	-	174,227
-	13,450	-	-
-	-	-	69,198
-	-	-	2,059,845
-	111,247	-	-
-	128,749	-	-
-	-	-	138,055
-	73,953	-	-
-	-	6,440	-
-	7,910,756	-	-
-	-	-	413,379
-	51,597	-	-
-	581,437	-	-
-	-	-	2,157,482
-	-	-	3,810,586
-	1,166,806	-	-
-	-	-	2,946,152
-	1,207,846	-	-
-	-	-	229,818
-	351,895	-	-
-	-	-	52,634
-	-	-	91,665
921,489	-	-	-
-	54,218	-	-
-	217,266	-	-
-	-	-	2,633
-	6,914,091	-	-
-	242,138	-	-
-	-	-	19,800
<u>921,489</u>	<u>26,945,715</u>	<u>11,489</u>	<u>12,165,474</u>



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2011
General Government			
Transportation			
Electrical equipment	\$ -	\$ 37,091	\$ 37,091
INFRA-ADA modifications	116,379	56,954	173,333
Traffic engineering - street improvements	-	13,686	13,686
Resurfacing - 4 cent gas tax project	9,559	780	10,339
Bel Air Boulevard bridge repairs	1,081,813	-	1,081,813
City's share - Hillcrest MPO project	3,018,667	37	3,018,704
City's share - Airport/Snow Road	-	107,797	107,797
City's share - Zeigler Boulevard	543,928	11,770	555,698
Airport Boulevard signal system improvements	465,580	63,296	528,876
Hillsdale Heights sidewalks	26,122	787	26,909
Lloyds Lane sidewalks	12,100	-	12,100
Miscellaneous street improvements	-	308,787	308,787
Mobile Street improvements	585,704	-	585,704
Old Shell Road sidewalks	29,101	-	29,101
Old Shell/McGregor intersection improvements	191,385	-	191,385
Safe routes to schools - sidewalks	-	5,000	5,000
St. Stephens Road sidewalks	95,632	13,818	109,450
Stormwater - miscellaneous bridges	983,234	26,938	1,010,172
Traffic circles/calming devices	-	16,415	16,415
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
Total transportation	<u>7,759,417</u>	<u>663,156</u>	<u>8,422,573</u>
Security			
800 MHZ radio site rental	-	128,955	128,955
City's share - fire department grant	-	34,235	34,235
Metro 800 mhz emergency radios	1,335,202	4,591,167	5,926,369
Equipment - fire	-	2,692	2,692
Equipment - police	-	203	203
Equipment - police lease	-	40,274	40,274

Disposition				
In-Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ -	\$ -	\$ 18,859	\$	18,232
-	173,333	-	-	-
-	-	13,686	-	-
-	10,339	-	-	-
-	-	-	-	1,081,813
-	3,018,704	-	-	-
-	107,797	-	-	-
-	555,698	-	-	-
-	-	-	-	528,876
-	26,909	-	-	-
-	12,100	-	-	-
-	-	-	-	308,787
-	-	-	-	585,704
-	-	-	-	29,101
-	-	-	-	191,385
-	-	5,000	-	-
-	109,450	-	-	-
-	1,010,172	-	-	-
-	-	16,415	-	-
-	-	-	-	71,137
-	-	-	-	366,376
-	162,700	-	-	-
-	5,187,202	53,960	3,181,411	
-	-	128,955	-	-
-	-	34,235	-	-
-	5,926,369	-	-	-
-	-	2,692	-	-
-	-	203	-	-
-	-	-	-	40,274

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2011
General Government			
Security (Cont'd)			
Fire - miscellaneous fire station building imprv.	\$ 1,465,362	\$ 84,960	\$ 1,550,322
Fire - various station upgrades	-	514	514
Lease - 2010 Public Service/Safety	-	2,115,512	2,115,512
Lease - 2011 Capital equipment	-	741,879	741,879
Lease - 6 pumper trucks	-	1,850,421	1,850,421
New fire station - Theodore	168,138	38,273	206,411
Fire dept. - warehouse purchase	523,940	-	523,940
New public safety facility	5,732,206	903,809	6,636,015
New Towing facility	797,950	8,688	806,638
Police - community initiatives	-	750	750
Police - Mini precinct	-	1,814	1,814
Police building - 850 St. Anthony	63,173	9,160	72,333
Police building - 200 Government St. purchase	651,016	174,028	825,044
Total security	10,736,987	10,727,334	21,464,321
Recreation			
Equipment - parks and recreation	-	9,278	9,278
battery Heights light poles	-	25,565	25,565
Broad/Dauphin Transit Pocket Park	77,449	-	77,449
College Football Bowl	-	1,135,000	1,135,000
Cruise terminal and gangway	3,019,235	-	3,019,235
Ladd Stadium renovation	3,090,339	-	3,090,339
Parks - annexed area	2,450	1,400	3,850
Parks - Dearborn Street Community Center	-	32	32
Parks - Heritage Park	13,600	-	13,600
Parks - Japanese Gardens	-	6,658	6,658
Parks - James Seals	-	708	708
Parks - Kidd Park improvements	15,928	-	15,928
Parks - Lavretta restrooms	84,484	12,029	96,513
Parks - Luscher improvements	-	30,000	30,000
Parks - Mardi Gras Park	-	1,327	1,327
Parks - Mary Abby Berg	-	100,000	100,000
Parks - Maitre Park	-	24,050	24,050
Parks - Medal of Honor improvements	-	569	569
Parks - Mims renovation	-	5,813	5,813
Parks - Plateau Community	-	6,016	6,016
Parks - Senior Citizen Center	1,350	16,500	17,850

Dispositon

In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 1,550,322	\$ -	\$ -
-	-	514	-
-	-	393,531	1,721,981
-	-	86,459	655,420
-	-	75,641	1,774,780
-	128,645	-	77,766
-	-	-	523,940
-	6,632,820	-	3,195
-	-	-	806,638
-	-	750	-
-	-	1,814	-
-	72,333	-	-
-	825,044	-	-
-	15,135,533	724,794	5,603,994
-	-	9,278	-
-	-	25,565	-
-	-	-	77,449
-	-	1,135,000	-
-	-	-	3,019,235
-	-	-	3,090,339
-	3,850	-	-
-	-	32	-
-	-	13,600	-
-	-	6,658	-
-	-	708	-
-	15,928	-	-
-	-	-	96,513
-	-	30,000	-
-	1,327	-	-
-	-	100,000	-
-	-	24,050	-
-	-	569	-
-	-	5,813	-
-	-	6,016	-
-	-	17,850	-

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2011
General Government			
Recreation (Cont'd)			
Parks - Theodore area park	\$ 154,160	\$ 63,127	\$ 217,287
Parks - Washington Square	-	2,500	2,500
Senior Bown Mobile Arts	-	115,000	115,000
Springhill Ave recreation center	616,939	-	616,939
Strategic Plan - Ladd Stadium debt	-	197,950	197,950
Waterfront development - GulfQuest	110	6,800	6,910
Waterfront development	16,556,840	12,195,061	28,751,901
Waterfront development - general fund	<u>(16,555,224)</u>	<u>(3,651,858)</u>	<u>(20,207,082)</u>
Total recreation	<u>7,077,660</u>	<u>10,303,525</u>	<u>17,381,185</u>
Cultural			
Fort Conde Welcome Center - roof repairs	-	137,029	137,029
Centre for the Living Arts	-	200,000	200,000
Strategic Plan - Saenger Theatre renovations	-	11,323	11,323
Strategic Plan - Battleship restoration	<u>-</u>	<u>45,000</u>	<u>45,000</u>
Total cultural	<u>-</u>	<u>393,352</u>	<u>393,352</u>
Total general government	<u>69,650,547</u>	<u>27,006,804</u>	<u>96,657,351</u>
Proprietary			
Mobile Civic Center:			
Civic Center renovations	<u>-</u>	<u>190,687</u>	<u>190,687</u>
Total proprietary	<u>-</u>	<u>190,687</u>	<u>190,687</u>
Total capital projects	<u>\$ 69,650,547</u>	<u>\$ 27,197,491</u>	<u>\$ 96,848,038</u>

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 69,115	\$ -	\$ 148,172
-	-	2,500	-
-	-	115,000	-
-	-	-	616,939
-	-	197,950	-
-	110	6,800	-
-	28,751,901	-	-
-	(20,207,082)	-	-
-	8,635,149	1,697,389	7,048,647
-	137,029	-	-
-	-	200,000	-
-	-	5,468	5,855
-	-	45,000	-
-	137,029	250,468	5,855
1,562,762	56,040,628	5,722,387	33,331,574
-	-	180,721	9,966
-	-	180,721	9,966
\$ 1,562,762	\$ 56,040,628	\$ 5,903,108	\$ 33,341,540

## **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, 2011**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 1,631,336	\$ 1,709,452	\$ -	\$ 3,340,788
Restricted cash - capital purchases	481,119	-	-	481,119
Receivables, net	15,470	-	-	15,470
Total current assets	<u>2,127,925</u>	<u>1,709,452</u>	<u>-</u>	<u>3,837,377</u>
Property, plant and equipment				
Vehicles	31,495,957	-	-	31,495,957
Furniture, fixtures and equipment	3,812,994	-	-	3,812,994
	35,308,951	-	-	35,308,951
Less: accumulated depreciation	<u>(26,596,997)</u>	<u>-</u>	<u>-</u>	<u>(26,596,997)</u>
Property, plant and equipment - net	<u>8,711,954</u>	<u>-</u>	<u>-</u>	<u>8,711,954</u>
Total assets	<u>\$ 10,839,879</u>	<u>\$ 1,709,452</u>	<u>\$ -</u>	<u>\$ 12,549,331</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 17,366	\$ 98,700	\$ 430,387	\$ 546,453
Accrued payroll	1,363	-	-	1,363
Capital lease obligations - current portion	397,273	-	-	397,273
Insurance claims payable	-	-	2,117,465	2,117,465
Due to other funds	-	-	4,012,176	4,012,176
Total current liabilities	<u>416,002</u>	<u>98,700</u>	<u>6,560,028</u>	<u>7,074,730</u>
Noncurrent liabilities:				
Capital lease obligations, net of current portion	1,175,760	-	-	1,175,760
Self-insured liability - legal	-	815,000	-	815,000
Total noncurrent liabilities	<u>1,175,760</u>	<u>815,000</u>	<u>-</u>	<u>1,990,760</u>
Total liabilities	<u>1,591,762</u>	<u>913,700</u>	<u>6,560,028</u>	<u>9,065,490</u>
Net Assets				
Invested in capital assets, net of related debt	6,968,226	-	-	6,968,226
Unrestricted	2,279,891	795,752	(6,560,028)	(3,484,385)
Total net assets	<u>9,248,117</u>	<u>795,752</u>	<u>(6,560,028)</u>	<u>3,483,841</u>
Total liabilities and net assets	<u>\$ 10,839,879</u>	<u>\$ 1,709,452</u>	<u>\$ -</u>	<u>\$ 12,549,331</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, 2011**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Operating revenues				
Charges for services:				
User charges	\$ 4,364,260	\$ -	\$ 15,353,396	\$ 19,717,656
Employee Contributions	-	-	4,323,608	4,323,608
Miscellaneous revenue	-	-	3,487	3,487
Cost reimbursement	-	68	-	68
Total operating revenues	<u>4,364,260</u>	<u>68</u>	<u>19,680,491</u>	<u>24,044,819</u>
Operating expenditures				
Materials	2,512,359	75,542	-	2,587,901
Personnel services	81,893	-	-	81,893
Professional and technical	5,370	808,108	85,193	898,671
Utilities	42,911	-	-	42,911
Other charges	2,608	1,373,112	-	1,375,720
Insurance benefit payments	-	-	24,520,387	24,520,387
Increase (decrease) in provision for self-insured loss	-	-	45,137	45,137
Depreciation	1,758,151	-	-	1,758,151
Total operating expense	<u>4,403,292</u>	<u>2,256,762</u>	<u>24,650,717</u>	<u>31,310,771</u>
Operating income (loss)	<u>(39,032)</u>	<u>(2,256,694)</u>	<u>(4,970,226)</u>	<u>(7,265,952)</u>
Nonoperating revenues (expenses)				
Gain (loss) on disposal of assets	(2,127)	-	-	(2,127)
Damaged vehicles reimbursement	37,260	-	-	37,260
Interest	(54,796)	-	-	(54,796)
Total nonoperating revenues	<u>(19,663)</u>	<u>-</u>	<u>-</u>	<u>(19,663)</u>
Income (loss) before operating transfers	(58,695)	(2,256,694)	(4,970,226)	(7,285,615)
Transfers in	-	2,700,000	3,877,284	6,577,284
Transfers out	-	-	-	-
Change in net assets	(58,695)	443,306	(1,092,942)	(708,331)
Net assets - beginning	9,306,812	352,446	(5,467,086)	4,192,172
Net assets at end of the year	<u>\$ 9,248,117</u>	<u>\$ 795,752</u>	<u>\$ (6,560,028)</u>	<u>\$ 3,483,841</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Cash flows from operating activities</b>				
Cash received from:				
Internal billings	\$ 4,363,511	\$ -	\$ 15,353,396	\$ 19,716,907
Customers and users	-	-	113,342	113,342
Employee contributions	-	-	4,210,267	4,210,267
Miscellaneous	-	-	3,486	3,486
Cost reimbursement	-	68	-	68
Cash payments for insurance claims	-	-	(24,397,892)	(24,397,892)
Cash payments for operating expenses	(2,557,779)	(1,884,776)	(130,331)	(4,572,886)
Cash payments to employees for services	(88,585)	-	-	(88,585)
Cash payment/received for interfund services use	-	-	970,448	970,448
Net cash provided (used) by operating activities	<u>1,717,147</u>	<u>(1,884,708)</u>	<u>(3,877,284)</u>	<u>(4,044,845)</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers in from other funds	-	2,700,000	3,877,284	6,577,284
Net cash provided by non-capital financing activities	<u>-</u>	<u>2,700,000</u>	<u>3,877,284</u>	<u>6,577,284</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(726,501)	-	-	(726,501)
Proceeds from disposal of assets	(443,086)	-	-	(443,086)
Proceeds from capital leases	1,603,731	-	-	1,603,731
Principal payments	(386,613)	-	-	(386,613)
Interest payments	(54,796)	-	-	(54,796)
Reimbursement for damaged vehicles	37,260	-	-	37,260
Net cash used by capital and related financing activities	<u>29,995</u>	<u>-</u>	<u>-</u>	<u>29,995</u>
<b>Cash flows from investing activities</b>				
Investment income received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	1,747,142	815,292	-	2,562,434
Pooled cash and investments - beginning of the year	365,313	894,160	-	1,259,473
Pooled cash and investments - end of the year	<u>\$ 2,112,455</u>	<u>\$ 1,709,452</u>	<u>\$ -</u>	<u>\$ 3,821,907</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	<u>\$ (39,032)</u>	<u>\$ (2,256,694)</u>	<u>\$ (4,970,226)</u>	<u>\$ (7,265,952)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,758,151	-	-	1,758,151
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(745)	-	-	(745)
Increase (decrease) in:				
Accounts payable	5,466	(23,014)	-	(17,548)
Accrued liabilities	(6,693)	-	-	(6,693)
Insurance claims payable	-	-	122,494	122,494
Self-insured liability - legal	-	395,000	-	395,000
Due to other funds	-	-	970,448	970,448
Total adjustments	<u>1,756,179</u>	<u>371,986</u>	<u>1,092,942</u>	<u>3,221,107</u>
Net cash provided (used) by operating activities	<u>\$ 1,717,147</u>	<u>\$ (1,884,708)</u>	<u>\$ (3,877,284)</u>	<u>\$ (4,044,845)</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, 2011**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
<b>ASSETS</b>		
Current assets:		
Cash, equity in pooled cash and investments	\$ -	\$ -
Receivables, net	-	1,544,031
Inventories	47,597	-
Total current assets	<u>47,597</u>	<u>1,544,031</u>
Noncurrent assets equipment		
Non-depreciable capital assets	1,457,640	-
Depreciable capital assets, net	2,210,473	94,470
Total noncurrent assets	<u>3,668,113</u>	<u>94,470</u>
Total assets	<u>\$ 3,715,710</u>	<u>\$ 1,638,501</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 150,235	\$ 683,147
Due to other funds	461,795	1,544,031
Total current liabilities	<u>612,030</u>	<u>2,227,178</u>
Noncurrent liabilities:		
Net Assets		
Invested in capital assets, net of related debt	3,668,113	94,470
Unrestricted	(564,433)	(683,147)
Total net assets	<u>3,103,680</u>	<u>(588,677)</u>
Total liabilities and net assets	<u>\$ 3,715,710</u>	<u>\$ 1,638,501</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 660	\$ 633,812	\$ 634,472
-	-	1,544,031
-	-	47,597
<u>660</u>	<u>633,812</u>	<u>2,226,100</u>
-	-	1,457,640
<u>78,489</u>	<u>107,181</u>	<u>2,490,613</u>
<u>78,489</u>	<u>107,181</u>	<u>3,948,253</u>
<u>\$ 79,149</u>	<u>\$ 740,993</u>	<u>\$ 6,174,353</u>
\$ 26,491	\$ 376	\$ 860,249
-	-	2,005,826
<u>26,491</u>	<u>376</u>	<u>2,866,075</u>
78,489	107,181	3,948,253
<u>(25,831)</u>	<u>633,436</u>	<u>(639,975)</u>
<u>52,658</u>	<u>740,617</u>	<u>3,308,278</u>
<u>\$ 79,149</u>	<u>\$ 740,993</u>	<u>\$ 6,174,353</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, 2011**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Operating revenues		
Sales revenue	\$ 156,335	\$ -
User charges	1,183,742	2,794,810
Concessions	-	-
Miscellaneous revenue	1,206	-
Cost reimbursement	179	337
Total operating revenues	<u>1,341,462</u>	<u>2,795,147</u>
Operating expenditures		
Utilities	77,491	30,554
Cost of goods sold	153,081	-
Personnel services	799,981	4,920,913
Professional and technical	5,067	228,033
Commodities	202,257	694,532
Other charges	128,337	233,547
Depreciation	253,788	5,859
Total operating expense	<u>1,620,002</u>	<u>6,113,438</u>
Operating income (loss)	<u>(278,540)</u>	<u>(3,318,291)</u>
Nonoperating revenues (expenses)		
Investment income	4,410	-
Gain (loss) on disposal of assets	-	(262)
Total nonoperating revenues (expenses)	<u>4,410</u>	<u>(262)</u>
Net income (loss) before transfers	(274,130)	(3,318,553)
Transfers in	-	2,878,944
Change in net assets	(274,130)	(439,609)
Net assets - beginning	3,377,810	(149,068)
Net assets at end of the year	<u>\$ 3,103,680</u>	<u>\$ (588,677)</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 2,250	\$ -	\$ 158,585
207,833	-	4,186,385
3,899	-	3,899
130	-	1,336
-	71,967	72,483
<u>214,112</u>	<u>71,967</u>	<u>4,422,688</u>
68,096	1,537	177,678
-	-	153,081
361,870	-	6,082,764
122,718	-	355,818
42,449	1,593	940,831
12,881	10,666	385,431
4,985	2,914	267,546
<u>612,999</u>	<u>16,710</u>	<u>8,363,149</u>
<u>(398,887)</u>	<u>55,257</u>	<u>(3,940,461)</u>
-	-	4,410
-	1,600	1,338
-	1,600	5,748
<u>(398,887)</u>	<u>56,857</u>	<u>(3,934,713)</u>
<u>407,003</u>	-	<u>3,285,947</u>
8,116	56,857	(648,766)
<u>44,542</u>	<u>683,760</u>	<u>3,957,044</u>
<u>\$ 52,658</u>	<u>\$ 740,617</u>	<u>\$ 3,308,278</u>



**CITY OF MOBILE, ALABAMA  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
<b>Cash flows from operating activities</b>		
Cash received from:		
User charges	\$ 1,184,032	\$ 2,632,839
Sales revenue	156,335	-
Concessions	-	-
Miscellaneous	1,206	-
Cost reimbursement	179	337
Cash payments for operating expenses	(502,979)	(1,022,789)
Cash payment/received for interfund services use	87,091	-
Cash payments to employees for services	(827,767)	(4,489,330)
Net cash provided (used) by operating activities	<u>98,097</u>	<u>(2,878,943)</u>
<b>Cash flows from non-capital financing activities</b>		
Transfers in from other funds	-	2,878,943
Net cash provided by non-capital financing activities	<u>-</u>	<u>2,878,943</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition of capital assets	(102,507)	-
Proceeds from disposal of assets	-	-
Net cash used by capital and related financing activities	<u>(102,507)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Investment income received	4,410	-
Net cash provided by investing activities	<u>4,410</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	-	-
Pooled cash and investments - beginning of the year	-	-
Pooled cash and investments - end of the year	<u>\$ -</u>	<u>\$ -</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
\$ 207,833	\$ -	\$ 4,024,704
2,250	-	158,585
3,899	-	3,899
130	-	1,336
-	71,967	72,483
(243,752)	(13,436)	(1,782,956)
-	-	87,091
<u>(377,303)</u>	<u>-</u>	<u>(5,694,400)</u>
<u>(406,943)</u>	<u>58,531</u>	<u>(3,129,258)</u>
<u>407,003</u>	<u>-</u>	<u>3,285,946</u>
<u>407,003</u>	<u>-</u>	<u>3,285,946</u>
-	-	(102,507)
-	4,600	4,600
<u>-</u>	<u>4,600</u>	<u>(97,907)</u>
<u>-</u>	<u>-</u>	<u>4,410</u>
<u>-</u>	<u>-</u>	<u>4,410</u>
60	63,131	63,191
600	570,681	571,281
<u>\$ 660</u>	<u>\$ 633,812</u>	<u>\$ 634,472</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (278,540)</u>	<u>\$ (3,318,291)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>		
Depreciation	253,788	5,859
Change in assets and liabilities:		
Decrease (increase) in		
Accounts receivable	290	(161,971)
Materials and supplies	17,666	-
Increase (decrease) in		
Accounts payable	45,587	1,906
Accrued liabilities	(27,785)	431,583
Due to other funds	87,091	161,971
Total adjustments	<u>376,637</u>	<u>439,348</u>
Net cash provided (used) by operating activities	<u>\$ 98,097</u>	<u>\$ (2,878,943)</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
<u>\$ (398,887)</u>	<u>\$ 55,257</u>	<u>\$ (3,940,461)</u>
4,985	2,914	267,546
-	-	(161,681)
-	-	17,666
2,391	360	50,244
(15,432)	-	388,366
-	-	249,062
<u>(8,056)</u>	<u>3,274</u>	<u>811,203</u>
<u>\$ (406,943)</u>	<u>\$ 58,531</u>	<u>\$ (3,129,258)</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**ENTERPRISE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2011**

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2011</u>
Azalea City Golf Course			
Renovate clubhouse	\$ 1,015,829	\$ -	\$ 1,015,829
WAVE Transit			
Facility improvement - N. Mobile County	5,128	46,882	52,010
Mobile Convention Center			
VIP elevator	1,290	-	1,290
Fire alarm	11,552	344,338	355,890
Lighting	7,133	49,975	57,108
Equipment & misc	-	172,660	172,660
Sports & marketing	-	182,050	182,050
Tower leak	-	35,448	35,448
Robert Trent Jones Golf	-	315,000	315,000
Bayfest, Inc.	-	243,000	243,000
Alabama Cruise Terminal			
Equipment	-	-	-
Terminal and gangway	574,951	23,975	598,926
Municipal Parking Garage			
Municipal parking garage	-	132	132
Total	<u>\$ 1,615,883</u>	<u>\$ 1,413,460</u>	<u>\$ 3,029,343</u>

Disposition			
In Progress		Completed	
Expended	Capitalized	Expended	Capitalized
\$ -	\$ -	\$ -	\$ 1,015,829
52,010	-	-	-
-	-	1,290	-
-	355,890	-	-
-	-	-	57,108
-	-	172,660	-
-	-	182,050	-
-	-	35,448	-
-	-	315,000	-
-	-	243,000	-
-	-	-	-
-	-	-	598,926
-	-	132	-
<u>\$ 52,010</u>	<u>\$ 355,890</u>	<u>\$ 949,580</u>	<u>\$ 1,671,863</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, 2011**

	Budget	Actual	Variance Positive/ (Negative)
Taxes			
Property			
Real estate	\$ 11,958,751	\$ 12,090,932	\$ 132,181
Motor vehicle	1,360,000	1,454,039	94,039
Sales and use			
Sales tax - City	130,790,022	134,097,272	3,307,250
Sales tax - Police Jurisdiction	5,875,000	8,676,256	2,801,256
Lease/rental - City	3,450,000	4,318,430	868,430
Lease/rental - Police Jurisdiction	150,000	322,559	172,559
Room tax - City	3,275,000	3,370,898	95,898
Room tax - Police Jurisdiction	20,000	24,169	4,169
Motor vehicle rental - City	935,000	1,058,846	123,846
Motor vehicle rental - Police Jurisdiction	36,000	96,594	60,594
Selective sales and use			
Motor fuel			
Regular - City	2,250,000	2,260,033	10,033
Regular - Police Jurisdiction	765,000	712,538	(52,462)
County equalization	492,000	457,574	(34,426)
Alcoholic beverages			
Liquor - City	480,000	404,195	(75,805)
Liquor - Police Jurisdiction	26,710	28,091	1,381
Liquor - ABC Board	208,000	199,617	(8,383)
Table Wine	153,961	152,802	(1,159)
Beer	1,250,000	1,221,111	(28,889)
Other			
Cigarette stamp tax	2,475,000	2,234,211	(240,789)
Other tobacco tax - City	425,000	410,479	(14,521)
Other tobacco tax - Police Jurisdiction	40,000	49,295	9,295
Other tax revenue	30,000	35,233	5,233
Total taxes	<u>166,445,444</u>	<u>173,675,174</u>	<u>7,229,730</u>
Licenses and permits			
Business licenses - City	30,100,000	29,990,160	(109,840)
Business licenses - Police Jurisdiction	2,575,000	2,506,026	(68,974)
Motor vehicle licenses	572,000	660,544	88,544
Dog licenses	37,000	26,223	(10,777)
Total licenses and permits	<u>33,284,000</u>	<u>33,182,953</u>	<u>(101,047)</u>
Intergovernmental			
Alcoholic Beverage Control Board	70,000	52,280	(17,720)
Financial excise tax	400,000	77,098	(322,902)
Oil and gas tax	62,000	78,783	16,783
Mobile County Racing Commission	35,000	37,420	2,420
Total intergovernmental	<u>567,000</u>	<u>245,581</u>	<u>(321,419)</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND (CONT'D)**  
**SEPTEMBER 30, 2011**

	Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 48,000	\$ 53,562	\$ 5,562
Building demolition fee	25,000	114,130	89,130
Animal shelter	15,000	8,168	(6,832)
City sexton	-	3,515	3,515
Public safety			
Inspection	1,550,000	1,672,949	122,949
Fire plan review fee	36,000	35,289	(711)
Police and fire	500,000	571,344	71,344
Engineering	285,000	306,793	21,793
Parking management fees	200,000	273,159	73,159
County sales tax collection fee	2,350,000	2,400,957	50,957
Property rental	36,000	35,641	(359)
Franchise fees - miscellaneous	2,025,000	2,378,368	353,368
Recreational fees	475,000	412,487	(62,513)
Landfill	325,000	293,346	(31,654)
Total charges for services	<u>7,870,000</u>	<u>8,559,708</u>	<u>689,708</u>
Fines and forfeitures			
Municipal offense fines	175,000	111,145	(63,855)
Police fines	1,665,000	1,585,213	(79,787)
Driver's education	350,000	387,803	37,803
Bond forfeitures	75,000	72,800	(2,200)
Court costs	445,000	401,339	(43,661)
DA Restitution Unit collection fees	136,000	131,948	(4,052)
Corrections fund	1,250,000	1,121,398	(128,602)
Alarm ordinance fines and permits	20,000	18,150	(1,850)
Probation fee from court	(619,812)	435,065	1,054,877
City drug testing	(378,000)	189,325	567,325
Other fees	(13,532)	14,130	27,662
Total fines and forfeitures	<u>3,104,656</u>	<u>4,468,316</u>	<u>1,363,660</u>
State and federal assistance	-	11,292,544	11,292,544
Interest			
Investment of idle funds	75,000	103,567	28,567
Interest on receivables	135,000	149,204	14,204
Total interest	<u>210,000</u>	<u>252,771</u>	<u>42,771</u>
Miscellaneous			
Law enforcement revenues	-	179,772	179,772
Athletic fund	-	47,910	47,910
Miscellaneous	250,000	733,870	483,870
Total miscellaneous (other)	<u>250,000</u>	<u>961,552</u>	<u>711,552</u>
Total revenues	<u>\$ 211,731,100</u>	<u>\$ 232,638,599</u>	<u>\$ 20,907,499</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budget	Actual	Variance Positive/ (Negative)
<b>Other financing sources</b>			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 600,000	\$ 600,000	\$ -
From 7-cent Gasoline Tax Special Revenue Fund	-	(73,552)	(73,552)
From Fuel Inspection Fees Special Revenue Fund	84,000	83,007	(993)
From Strategic Plan Fund	3,092,272	3,092,272	-
From Capital Projects Fund	-	49,631	49,631
From WAVE Transit	-	3,654,483	3,654,483
From Grant Administration	-	858,068	858,068
From Drug Enforcement Fund	-	6,603	6,603
Total operating transfers in	<u>3,776,272</u>	<u>8,270,512</u>	<u>4,494,240</u>
Insurance Recoveries	-	1,559	1,559
Sales of general capital assets	2,400	16,822	14,422
Total other financing sources	<u>3,778,672</u>	<u>8,288,893</u>	<u>4,510,221</u>
<b>Other financing uses</b>			
Operating transfers out:			
To Mobile Civic Center Enterprise Fund	1,029,446	1,212,448	183,002
To Capital Improvement Fund	-	167,000	167,000
To Firemedics Enterprise Fund	3,592,209	1,855,516	(1,736,693)
To Mobile Tennis Center Enterprise Fund	556,983	407,003	(149,980)
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	5,345,577	7,675,207	2,329,630
To Grant Administration	175,000	864,481	689,481
To Drug Enforcement Fund	-	190	190
Total operating transfers out	<u>17,276,499</u>	<u>18,759,129</u>	<u>1,482,630</u>
Total other financing sources (uses)	<u>\$ (13,497,827)</u>	<u>\$ (10,470,236)</u>	<u>\$ 3,027,591</u>

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2011**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental activities capital assets			
Land	\$ 25,516,025	\$ -	\$ 25,516,025
Buildings	62,075,378	27,104,491	34,970,887
Improvements other than buildings	111,147,558	35,683,561	75,463,997
Vehicular equipment	56,939,510	39,603,910	17,335,600
Other equipment	43,640,165	33,182,189	10,457,976
Infrastructure	466,563,745	93,788,737	372,775,008
Infrastructure-in-progress	38,590,292	-	38,590,292
Intangible assets	2,579,101	-	2,579,101
Construction-in-progress	44,266,092	-	44,266,092
Total governmental activities	<u>\$ 851,317,866</u>	<u>\$ 229,362,888</u>	<u>\$ 621,954,978</u>
Investment in governmental activities			
General obligation warrants	\$ 96,457,101	\$ 26,694,592	\$ 69,762,509
General grants and other	64,117,783	13,717,928	50,399,855
Revenue sharing	926,995	679,311	247,684
Capital improvements	355,069,740	108,699,207	246,370,533
General fund	7,803,706	4,726,432	3,077,274
Internal service funds	35,667,693	26,917,580	8,750,113
Special revenue funds	55,020,381	13,610,868	41,409,513
Intangible assets	2,579,101	-	2,579,101
Gifts	233,675,366	34,316,970	199,358,396
Total investment in governmental activities	<u>\$ 851,317,866</u>	<u>\$ 229,362,888</u>	<u>\$ 621,954,978</u>

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY FUNCTION**  
**SEPTEMBER 30, 2011**

	<u>Land</u>	<u>Improvements</u>
General government	\$ 23,895,488	\$ 62,804,093
Economic development	-	-
Public safety	419,850	5,985,291
Public works	75,715	1,907,840
Culture and recreation	1,124,972	40,446,877
Finance	-	3,457
Nondepartmental	<u>-</u>	<u>-</u>
Total governmental capital assets allocated to functions	<u>\$ 25,516,025</u>	<u>\$ 111,147,558</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>
\$ 23,770,173	\$ 34,156,366	\$ 469,142,846	\$ 613,768,966
-	8,260	-	8,260
8,875,749	29,788,149	-	45,069,039
1,428,858	19,220,012	-	22,632,425
27,615,798	3,146,126	-	72,333,773
-	4,989,179	-	4,992,636
<u>384,800</u>	<u>9,271,583</u>	<u>-</u>	<u>9,656,383</u>
<u>\$ 62,075,378</u>	<u>\$ 100,579,675</u>	<u>\$ 469,142,846</u>	768,461,482
			44,266,092
			<u>38,590,292</u>
			851,317,866
			<u>229,362,888</u>
			<u>\$ 621,954,978</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	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 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	4.5-5.0%	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	12/9/09	2/15/28
2009B General Obligation Build America Warrants (Taxable)	6.085%	2/15-8/15	12/09/09	2/15/30
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	12/9/09	2/15/30
2010 General Obligation Taxable Build America Warrants	4.23%	2/15-8/15	2/17/10	2/15/15
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26
Note Payable to Bank of New York Mellon (Holiday Inn)	2.28%	2/1-8/1	8/5/92	8/1/12
Note Payable to Bank of New York Mellon (Fort Conde)	2.77%	2/1-8/1	6/30/04	8/1/22
Note payable to Bank of New York Mellon (Harmon Park)	3.22%	2/1-8/1	4/28/99	8/1/17
Note payable to Bank of New York Mellon (E.D. Center)	3.56%	2/1-8/1	4/28/99	8/1/18
Note payable to Bank of New York Mellon (Library)	2.70%	2/1-8/1	9/14/06	8/1/25
Total				

Serial Payments	Original Amount of Issue	Balance September 30, 2010	Year Ended September 30, 2011 Issued	Year Ended September 30, 2011 Retirements	Balance September 30, 2011	Interest for Year Ended September 2011
Semi-annual interest payments with annual principal payments ranging from \$785,000 to \$2,925,000	\$ 31,430,000	\$ 12,360,000	\$ -	\$ 12,360,000	\$ -	\$ 297,946
Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000	10,655,000	8,545,000	-	475,000	8,070,000	447,135
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	55,665,000	-	2,380,000	53,285,000	2,629,975
Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000	3,100,000	2,040,000	-	305,000	1,735,000	88,425
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	290,095	-	142,280	147,815	11,140
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	2,756,700
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	1,020,150
Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000	6,430,000	6,430,000	-	-	6,430,000	391,266
Semi-annual interest payments with semi-annual principal payments ranging from \$210,338 to \$219,330	2,000,000	1,818,096	-	374,966	1,443,130	73,054
Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000	13,715,000	-	13,715,000	-	13,715,000	-
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$200,000	2,000,000	380,000	-	180,000	200,000	17,312
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	980,000	-	55,000	925,000	54,245
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000	1,410,000	780,000	-	90,000	690,000	50,205
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000	1,440,000	850,000	-	75,000	775,000	55,161
Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000	2,695,000	2,255,000	-	115,000	2,140,000	121,706
	<u>\$ 361,664,000</u>	<u>\$ 313,928,191</u>	<u>\$ 13,715,000</u>	<u>\$ 16,552,246</u>	<u>\$ 311,090,945</u>	<u>\$ 14,800,799</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.

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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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 350,323,247	\$ 352,295,866	\$ 360,784,525	\$ 165,220,265
Restricted	19,153,788	15,516,950	13,331,469	101,136,760
Unrestricted	<u>(90,121,806)</u>	<u>(81,290,372)</u>	<u>(62,583,863)</u>	<u>2,166,159</u>
Total governmental activities net assets	<u>\$ 279,355,229</u>	<u>\$ 286,522,444</u>	<u>\$ 311,532,131</u>	<u>\$ 268,523,184</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 102,751,824	\$ 105,870,417	\$ 104,970,172	\$ 108,695,419
Unrestricted	<u>5,974,324</u>	<u>5,217,216</u>	<u>(1,392,389)</u>	<u>(1,354,221)</u>
Total business-type activities net assets	<u>\$ 108,726,148</u>	<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>	<u>\$ 107,341,198</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 453,075,071	\$ 458,166,283	\$ 465,754,697	\$ 273,915,684
Restricted	19,153,788	15,516,950	13,331,469	101,136,760
Unrestricted	<u>(84,147,482)</u>	<u>(76,073,156)</u>	<u>(63,976,252)</u>	<u>811,938</u>
Total primary government net assets	<u>\$ 388,081,377</u>	<u>\$ 397,610,077</u>	<u>\$ 415,109,914</u>	<u>\$ 375,864,382</u>

					(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
<u>10,736,409</u>	<u>16,388,241</u>	<u>5,596,978</u>	<u>(30,103)</u>	<u>(4,535,895)</u>	<u>1,928,536</u>
<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
<u>(3,287,345)</u>	<u>(1,610,125)</u>	<u>(829,620)</u>	<u>4,572,242</u>	<u>4,429,680</u>	<u>4,310,429</u>
<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
<u>7,449,064</u>	<u>14,778,116</u>	<u>4,767,358</u>	<u>4,542,139</u>	<u>(106,215)</u>	<u>6,238,965</u>
<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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 82,670,334	\$ 84,138,439	\$ 98,695,339	\$ 49,310,958
Economic development	1,299,046	2,802,701	1,429,622	984,354
Public safety	108,147,876	110,010,497	113,062,743	96,009,857
Public works	43,316,969	44,867,891	45,892,056	40,955,090
Culture and recreation	25,262,720	19,665,980	20,373,562	22,191,802
Finance	5,509,037	5,791,514	6,823,212	5,273,774
Nondepartmental	-	-	-	-
Interest on long-term debt	15,119,170	14,120,058	15,717,193	36,120,233
Total governmental activities net assets	<u>281,325,152</u>	<u>281,397,080</u>	<u>301,993,727</u>	<u>250,846,068</u>
<b>Business-type activities:</b>				
Alabama Cruise Terminal	486,763	527,408	415,494	-
Civic Center	3,758,785	4,506,235	3,685,566	4,134,371
Convention Center	9,800,672	8,977,037	10,981,125	9,921,621
Golf course	1,619,823	1,452,509	1,518,478	1,302,813
Firemedics	6,113,101	5,430,599	5,478,439	5,632,700
Parking garage	251,674	275,939	270,307	264,875
Tennis Center	612,999	560,212	509,708	542,698
Affordable homes program	16,710	5,143	7,875	16,295
WAVE Transit	11,579,865	10,620,087	10,812,366	10,244,202
Total business-type activities net assets	<u>34,240,392</u>	<u>32,355,169</u>	<u>33,679,358</u>	<u>32,059,575</u>
Total primary government expenses	<u>\$ 315,565,544</u>	<u>\$ 313,752,249</u>	<u>\$ 335,673,085</u>	<u>\$ 282,905,643</u>

					(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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 49,664,462	\$ 49,218,621	\$ 13,394,552	\$ 9,056,023
Public safety	5,769,616	5,931,428	41,261,597	41,289,992
Public works	306,793	325,592	267,731	277,672
Culture and recreation	412,487	453,870	537,176	516,332
Operating grants and contributions	5,595,180	12,691,226	1,938,788	5,189,084
Capital grants and contributions	6,957,112	4,520,212	4,647,220	3,180,406
Total governmental activities program revenues	<u>68,705,650</u>	<u>73,140,949</u>	<u>62,047,064</u>	<u>59,509,509</u>
Business-type activities:				
Charges for services				
Alabama Cruise Terminal	2,219,269	2,579,507	1,058,523	202,671
Civic Center	2,188,484	2,094,485	1,754,181	2,200,886
Convention Center	3,231,603	4,766,976	3,576,172	3,169,704
Golf course	1,341,283	1,340,499	1,509,422	1,423,508
Firemedics	2,794,810	2,487,710	2,425,990	2,299,286
Parking garage	417,518	408,137	411,804	475,082
Tennis Center	214,112	161,321	78,687	76,195
Affordable homes program	71,967	-	-	-
WAVE Transit	1,021,023	1,086,131	1,027,542	1,099,053
Operating grants and contributions	354,918	7,789,433	3,330,363	3,667,452
Capital grants and contributions	4,233,881	-	-	82,935
Total business-type activities program revenues	<u>18,088,868</u>	<u>22,714,199</u>	<u>15,172,684</u>	<u>14,696,772</u>
Total primary government program revenues	<u>\$ 86,794,518</u>	<u>\$ 95,855,148</u>	<u>\$ 77,219,748</u>	<u>\$ 74,206,281</u>
<b>Net Expense</b>				
Governmental activities	\$ (212,619,502)	\$(208,256,131)	\$(239,946,663)	\$(191,336,559)
Business-type activities	(16,151,524)	(9,640,970)	(18,506,674)	(17,362,803)
Total primary government net expense	<u>\$ (228,771,026)</u>	<u>\$(217,897,101)</u>	<u>\$(258,453,337)</u>	<u>\$(208,699,362)</u>

					(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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes:				
Real and personal property tax	\$ 16,093,899	\$ 16,077,830	\$ 15,969,310	\$ 14,938,843
Sales tax	163,405,226	141,825,022	132,218,742	140,470,973
Gross receipt sales tax	-	-	-	-
Gasoline tax	10,115,711	10,213,140	7,735,285	7,775,814
Room tax	5,092,514	6,040,106	4,795,120	5,239,745
Beer and liquor tax	2,005,816	2,196,467	2,137,149	2,027,597
Rental and leasing tax	6,080,474	5,699,115	4,104,708	4,430,951
Cigarette stamp tax	2,234,211	2,370,001	2,253,663	2,188,771
Other tobacco tax	459,774	462,814	455,907	434,014
Financial excise tax	77,098	79,224	1,320,726	4,264,065
Other tax revenue	114,016	105,055	4,554,032	-
Investment earnings	337,496	301,434	1,009,662	3,150,149
Other	3,122,939	2,239,320	6,298,450	5,550,454
Capital contributions	-	2,417,423	105,130,798	-
Transfers	(3,686,887)	(6,780,507)	(5,027,942)	(26,333,227)
Total governmental activities	<u>205,452,287</u>	<u>183,246,444</u>	<u>282,955,610</u>	<u>164,138,149</u>
Business-type activities				
Taxes:				
Sales tax	8,395,672	8,378,986	7,974,021	7,354,647
Gross receipts sales tax	-	-	-	-
Room tax	1,685,196	1,997,710	1,568,826	1,586,408
Investment earnings	4,576	3,321	16,563	59,405
Capital contributions	-	-	-	-
Other	17,708	(9,704)	155,907	(164,194)
Transfers	3,686,887	6,780,507	5,027,942	26,333,227
Total business-type activities	<u>13,790,039</u>	<u>17,150,820</u>	<u>14,743,261</u>	<u>35,169,493</u>
Total primary government	<u>\$ 219,242,326</u>	<u>\$ 200,397,264</u>	<u>\$ 297,698,869</u>	<u>\$ 199,307,642</u>
<b>Changes in Net Assets</b>				
Governmental activities	\$ (7,167,215)	\$ (25,009,687)	\$ 43,008,947	\$ (27,198,410)
Business-type activities	<u>(2,361,485)</u>	<u>7,509,850</u>	<u>(3,763,415)</u>	<u>17,806,690</u>
Total primary government net expense	<u>\$ (9,528,700)</u>	<u>\$ (17,499,837)</u>	<u>\$ 39,245,532</u>	<u>\$ (9,391,720)</u>

					(restated)
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>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	-	-	-	-	-
(7,812,027)	(6,761,709)	(172,177)	(3,129,800)	329,733	3,221,150
<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)
(2,700,514)	(1,590,238)	(4,317,961)	(3,515,560)	265,754	4,738,601
<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>
2011	\$ 16,093,899	\$ 163,405,226	\$ 10,115,711	\$ 5,092,514	\$ 2,005,816
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

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>
\$ 6,080,474	\$ 2,693,985	\$ 35,233	\$ 77,098	\$ 78,783	\$ 205,678,739
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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund				
Reserved	\$ -	\$ 5,435,439	\$ 5,752,801	\$ 5,832,499
Unreserved	-	8,444,256	(1,266,959)	11,035,656
Nonspendable	3,379,640	-	-	-
Restricted	4,547,386	-	-	-
Assigned	2,804,615	-	-	-
Unassigned	24,722,193	-	-	-
Total general fund	<u>\$ 35,453,834</u>	<u>\$ 13,879,695</u>	<u>\$ 4,485,842</u>	<u>\$ 16,868,155</u>
All other governmental funds				
Reserved	-	14,696,034	10,882,881	10,510,041
Restricted	38,546,027	-	-	-
Committed	5,746,043	-	-	-
Assigned	30,467,472	-	-	-
Unassigned	<u>(6,599)</u>	-	-	-
Total other governmental funds	74,752,943	-	-	-
Unreserved, reported in:				
Capital projects funds	-	64,892,359	59,856,507	92,514,133
Debt service funds	-	3,494,130	3,367,695	3,338,317
Total all other governmental funds	<u>\$ 74,752,943</u>	<u>\$ 83,082,523</u>	<u>\$ 74,107,083</u>	<u>\$ 106,362,491</u>

					(restated)
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 5,205,071	\$ 4,689,693	\$ 5,174,935	\$ 3,882,731	\$ 2,971,512	\$ 2,875,792
12,993,274	18,402,448	11,796,629	6,097,162	4,210,595	10,139,464
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,198,345</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>
11,622,558	5,793,041	5,520,833	2,697,375	2,571,322	4,762,746
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,428,126	72,006,529	42,678,174	43,412,545	45,369,844	53,714,582
2,688,293	2,400,188	1,433,489	1,369,219	1,283,533	1,266,712
<u>\$ 70,738,977</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>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>				
Taxes	\$ 207,431,270	\$ 186,728,761	\$ 174,810,707	\$ 181,770,773
Licenses and permits	35,853,964	35,887,762	37,000,838	36,321,711
Intergovernmental	245,581	199,992	1,548,996	539,578
Charges for services	8,559,708	8,184,608	8,167,239	9,850,027
Fines and forfeitures	4,468,316	4,724,902	4,691,317	4,968,281
State and federal assistance	12,530,527	17,168,956	6,502,302	8,306,569
Assessments	526	-	-	-
Interest	324,573	301,811	1,056,562	3,150,147
Other	7,297,106	2,244,211	5,608,303	4,575,337
<b>Total revenues</b>	<u>276,711,571</u>	<u>255,441,003</u>	<u>239,386,264</u>	<u>249,482,423</u>
<b>Expenditures</b>				
General government	17,348,763	17,244,146	18,919,217	16,774,235
Economic development	943,489	946,081	1,008,755	903,138
Public safety	78,453,950	79,674,151	86,342,817	84,463,292
Public works	36,494,625	36,745,281	37,334,095	36,655,722
Culture and recreation	14,293,565	14,696,416	15,154,032	13,191,508
Finance	4,703,808	4,829,821	5,010,643	4,597,974
Nondepartmental	51,280,489	58,242,547	40,363,981	46,884,800
Capital outlay	32,327,434	22,269,823	45,338,810	46,840,175
<b>Debt service</b>				
Principal	7,301,694	7,104,607	12,020,851	46,944,636
Interest and fees	14,692,483	13,478,392	14,440,851	36,120,233
<b>Total expenditures</b>	<u>257,840,300</u>	<u>255,231,265</u>	<u>275,934,052</u>	<u>333,375,713</u>
<b>Excess of revenue over (under) expenditures</b>	<u>18,871,271</u>	<u>209,738</u>	<u>(36,547,788)</u>	<u>(83,893,290)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	15,334,069	84,775,000	569,000	148,390,000
Proceeds (payment) from refunding	-	-	-	-
Payment to refunding bond escrow agent	(10,657,242)	(58,207,259)	-	-
Transfers in	28,985,202	32,058,663	32,984,026	56,126,848
Transfers out	(39,249,373)	(42,116,454)	(41,718,561)	(86,780,999)
Insurance recoveries	1,559	2,113	-	448,534
Premiums (discounts) on bonds issued	-	2,287,511	-	-
Bond Issuance Cost	(57,750)	(643,350)	-	-
Sale of general fixed assets	16,822	3,331	75,602	2,233
<b>Total other financing sources (uses)</b>	<u>(5,626,713)</u>	<u>18,159,555</u>	<u>(8,089,933)</u>	<u>118,186,616</u>
<b>Net change in fund balance</b>	<u>\$ 13,244,558</u>	<u>\$ 18,369,293</u>	<u>\$ (44,637,721)</u>	<u>\$ 34,293,326</u>
<b>Debt service as a percentage of noncapital expenditures</b>	9.80 %	8.82 %	11.48 %	28.99 %

	2007	2006	2005	2004	2003	2002
\$	174,536,999	\$ 181,520,268	\$ 162,867,988	\$ 143,212,780	\$ 137,704,861	\$ 139,018,577
	34,637,574	31,928,461	29,365,388	27,454,522	26,656,919	26,405,321
	1,730,873	2,242,992	1,076,162	1,733,778	728,280	294,829
	9,764,293	9,722,612	8,691,951	8,822,692	6,371,405	6,704,404
	4,547,176	3,573,552	3,177,332	3,377,271	3,573,210	3,258,769
	7,460,888	12,712,656	13,472,562	6,102,734	5,429,644	2,706,022
	-	-	-	-	-	-
	4,786,183	2,914,890	1,224,720	549,682	888,848	1,594,253
	4,652,330	1,481,766	4,287,774	3,342,784	1,621,789	3,760,469
	<u>242,116,316</u>	<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>
	15,156,729	14,781,181	14,382,821	13,397,019	11,665,659	12,150,695
	996,402	714,758	800,771	818,305	886,056	963,459
	75,746,232	69,966,349	67,849,441	64,386,318	64,444,891	69,012,864
	33,982,373	32,858,243	31,394,476	28,890,302	27,427,242	28,414,539
	12,830,294	11,331,104	11,215,110	10,519,569	8,400,232	8,715,623
	4,395,742	4,295,572	4,112,383	3,890,413	3,911,753	4,492,412
	46,938,096	51,929,138	46,402,180	39,403,235	41,032,941	40,820,701
	36,810,657	20,300,611	21,688,401	16,977,026	22,443,462	39,421,934
	12,556,427	13,261,003	9,364,428	8,437,064	11,684,709	12,640,070
	9,637,487	8,887,309	8,643,848	8,537,613	8,914,939	8,536,082
	<u>249,050,439</u>	<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>(6,934,123)</u>	<u>17,771,929</u>	<u>8,310,018</u>	<u>(660,621)</u>	<u>(17,836,928)</u>	<u>(41,425,735)</u>
	3,930,000	1,800,000	2,763,710	5,925,000	3,622,429	13,415,597
	-	63,410,000	-	-	-	65,725,000
	-	(37,722,873)	-	-	-	(66,525,000)
	41,185,247	44,794,015	48,194,093	49,313,834	44,985,268	53,853,596
	(53,102,723)	(55,805,630)	(51,744,152)	(51,992,311)	(47,150,658)	(53,999,180)
	564,370	1,166,236	-	-	-	-
	-	1,190,117	-	-	-	-
	-	-	-	-	-	-
	<u>2,652</u>	<u>84,045</u>	<u>44,359</u>	<u>43,324</u>	<u>27,399</u>	<u>36,066</u>
	<u>(7,420,454)</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>(14,354,577)</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>
	10.61 %	10.95 %	9.61 %	9.73 %	11.87 %	11.85 %



**CITY OF MOBILE, ALABAMA  
VALUE OF TAXABLE SALES  
LAST EIGHT<sup>1</sup> FISCAL YEARS**

Fiscal Year Ended September 30	Value of Taxable Sales- General Sales Tax (in millions)	Direct Tax Rate- General Sales Tax
2011	\$ 2,769	5.0%
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%

<sup>1</sup>Only years available

**CITY OF MOBILE, ALABAMA  
SALES TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City of Mobile <sup>2</sup>					City of Mobile Police Jurisdiction <sup>3</sup>				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2011	5.000%	2.250%	2.250%	2.250%	5.000%	2.500%	1.125%	1.125%	1.125%	2.500%
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%

Source: Alabama Department of Revenue

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

<sup>2</sup>Tax increases effective June 1, 2010 and sunset at close of business September 30, 2011.

<sup>3</sup>The 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					Total Direct and Overlapping Rates				
General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
1.000%	0.500%	1.000%	1.000%	1.000%	6.000%	2.750%	3.250%	3.250%	6.000%
1.000%	0.500%	1.000%	1.000%	1.000%	6.000%	2.750%	3.250%	3.250%	6.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%
1.000%	0.500%	1.000%	1.000%	1.000%	5.000%	2.500%	3.000%	3.000%	5.000%

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

Taxpayer	2011		2002	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	3.81%	4	1.67%
Wal-Mart #853	2	3.41%	3	1.72%
Wal-Mart #991	3	2.84%	2	1.88%
Sams Wholesale	4	2.72%	1	2.00%
Target	5	1.63%		
Best Buy	6	1.41%		
Lowe's Home Center	7	1.23%		
Lowe's #549	8	1.22%		
Lowe's of Mobile	9	1.21%	6	1.20%
Academy Sports	10	1.21%		
Sears			5	1.47%
Dillard's			7	1.08%
McConnell Auto			8	1.00%
Treadwell Ford			9	0.88%
Home Depot #865			10	0.85%
Totals		<u>20.69%</u>		<u>13.75%</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	
2011	\$ 617,121,080	\$ 1,161,670,420	\$ 242,401,100	\$325,864,220	\$69,067,800
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	*	*	*	*	*

\*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.

<sup>1</sup>Includes tax-exempt property.

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value<sup>1</sup> as a Percentage of Actual Value</u>
\$ 2,277,989,020	7 mills	\$ 11,852,034,147	19.80 %
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 %

**CITY OF MOBILE, ALABAMA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	<u>City of Mobile</u> Total City Millage	Overlapping Rates		Total Direct & Overlapping Rates
		<u>County of</u> Mobile Total County Millage	<u>Mobile County</u> School District Total School Millage	
2011	7	16	29.5	52.5
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

Source: Mobile County Revenue Commissioner

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

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

Taxpayer	2011				2002			
	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation	
ThyssenKrupp	\$ 948,478,200	1	2.45	%				
Alabama Power Company	266,945,380	2	5.21	%	217,106,600	1	5.20	%
Kimberly Clark Corporation	86,319,820	3	6.14	%	33,321,400	2	6.14	%
Gulfstream Natural Gas	73,000,000	4	4.85	%				
Florida Gas Transmission	71,913,960	5	4.85	%				
Thomas Properties LLC	43,544,740	6	4.85	%				
Bell South Telecomm Inc DBA AT&T	34,340,400	7	5.81	%	462,478,120	3	5.86	%
Mobile Gas Service Corporation	33,852,500	8	5.75	%	26,911,560	6	5.70	%
Southeast Supply Header	32,000,000	9	4.85	%				
Marelda Bel Air Mall LLC	22,647,180	10	6.35	%				
International Paper Company					21,199,860	4	5.61	%
Degussa-Huls, Inc.					32,803,600	5	4.41	%
IPSCO Steel					51,911,380	7	2.49	%
Colonial Realty Limited					19,057,100	8	6.00	%
INEOS Phenol Inc.					34,560,440	9	2.45	%
Mobile Energy, LLC					16,917,536	10	4.85	%
Totals	<u>\$ 1,613,042,180</u>		<u>3.63</u>	<u>%</u>	<u>\$ 916,267,596</u>		<u>2.65</u>	<u>%</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
2011	\$ 13,024,255	*	*
2010	13,177,824	\$ 12,504,204	94.89
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

\*Data not available

Source: Mobile County Revenue Commissioner

Collection in Subsequent Years	Total Collection to Date	
	Amount	Percentage of Levy
*	*	*
-	\$ 12,504,204	94.89
-	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

**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>
2011	\$ 298,290,945	\$ 8,070,000	\$ 4,730,000	\$ 5,287,794
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

\*Data not available

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

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on pages 169 - 170 for personal income and population data.

Business Type Activities		Total Primary	Percentage of	
Capital Leases	Government	Personal Income <sup>1</sup>	Per Capita <sup>1</sup>	
\$ 532,314	\$ 316,911,053	*		\$ 766
695,707	314,379,952	2.38%		761
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

**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 <sup>1</sup> of Property	Per Capita <sup>2</sup>
2011	\$ 298,290,944	\$ 3,986,450	\$ 294,304,495	2.48 %	712
2010	300,138,191	3,494,130	296,644,061	2.46 %	718*
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

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

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 156-157 for property value of data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 169-170.

\* Restated from prior year due to prior year estimate

**CITY OF MOBILE, ALABAMA  
DIRECT AND OVERLAPPING GOVERNMENT DEBT  
AS OF SEPTEMBER 30, 2011**

<b><u>Government Unit</u></b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes: County	\$ 432,854,018	42 %	<u>\$ 183,643,999</u>
Subtotal, overlapping debt			183,643,999
City of Mobile Direct Debt	302,374,494	100 %	<u>302,374,494</u>
Total direct and overlapping debt			<u>\$ 486,018,493</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.

<sup>1</sup>The 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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2011	2010	2009	2008
Debt Limit	\$ 469,411,364	\$ 468,281,604	\$ 476,249,112	\$ 462,473,648
Less: Total net debt applicable to limit	260,122,205	255,534,378	229,861,239	239,875,431
Legal debt margin	\$ 209,289,159	\$ 212,747,226	\$ 246,387,873	\$ 222,598,217
Total net debt applicable to the limit as a percentage of debt limit	55.4 %	54.6 %	48.3 %	51.9 %
Legal Debt Margin Calculation for Fiscal Year 2011				
Assessed value of real property, September 30, 2011				\$ 1,778,791,500
Assessed value of personal property, September 30, 2011				568,265,320
Total assessed value				\$ 2,347,056,820
Debt Limit (20% of total assessed value)				\$ 469,411,364
Less: Total net debt applicable to limit				260,122,205
Legal debt margin				\$ 209,289,159

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

2007	2006	2005	2004	2003	2002
\$ 394,599,712	\$ 373,155,832	\$ 358,670,228	\$ 349,755,824	\$ 325,466,396	\$ 325,920,792
171,439,425	181,386,101	171,891,345	172,289,655	173,130,826	181,163,369
<u>\$ 223,160,287</u>	<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>
43.4 %	48.6 %	47.9 %	49.3 %	53.2 %	55.6 %



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

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
		Principal	Interest
2011	\$ 2,548,928	\$ 475,000	\$ 447,135
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	<sup>1</sup>	545,305
2004	960,200	<sup>1</sup>	545,296
2003	760,616	<sup>1</sup>	545,430
2002	667,308	<sup>1</sup>	157,658

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

<sup>1</sup>No principal payments were scheduled in this period.

**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>
2011	413,462	*	*
2010	412,992	13,200	31,962
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

\*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>
37.1	High School Graduate	60,946	10.4%
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%

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

Taxpayer	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,795	1	4.58 %	8,625	1	4.74 %
Infirmiry Health Systems	5,460	2	3.21 %	4,920	3	2.70 %
University of South Alabama	5,300	3	3.12 %	5,073	2	2.79 %
WalMart	2,920	4	1.72 %	3,275	4	1.80 %
Austal USA	2,500	5	1.47 %	2,500		1.37 %
Providence Hospital	2,350	6	1.38 %	2,100	6	1.15 %
City of Mobile	2,100	7	1.23 %	2,620	5	1.44 %
ST Aerospace Mobile	1,500	8	0.88 %			
County of Mobile	1,460	9	0.86 %	1,630	7	0.90 %
Springhill Medical Center	1,320	10	0.78 %	1,200	8	0.66 %
West Teleservices				1,120	9	0.62 %
Winn Dixie Food Stores				1,080	10	0.59 %
Totals	<u>32,705</u>		<u>19.23 %</u>	<u>34,143</u>		<u>18.76 %</u>

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>2011*</u>	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Function					
General government	197	190	197	189	196
Economic development	13	14	13	12	13
Public safety	1,374	1,327	1,312	1,307	1,273
Public works	581	576	575	553	585
Cultural and recreation	306	303	317	294	325
Finance	96	93	91	88	91
Golf course	21	20	28	28	17
Firemedics	71	71	66	61	59
Tennis Center	8	10	10	10	7
Motor Pool	3	3	3	3	3
Total	<u>2,670</u>	<u>2,607</u>	<u>2,612</u>	<u>2,545</u>	<u>2,569</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. This worksheet reflects the number of employees employed during the year.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
184	173	173	179	186
7	10	12	16	16
1,178	1,190	1,212	1,200	1,229
512	547	582	583	591
323	276	288	287	289
90	87	88	86	94
27	30	28	25	27
58	60	57	52	58
11	11	10	12	12
3	3	3	3	3
<u>2,393</u>	<u>2,387</u>	<u>2,453</u>	<u>2,443</u>	<u>2,505</u>

**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST SIX<sup>1</sup> FISCAL YEARS**

Function	2011	2010	2009	2008	2007	2006
<b>General Government</b>						
<b>Urban Development</b>						
Service request orders	14,546	14,901	12,374	10,525	12,264	10,887
Municipal offense tickets	1,875	2,023	1,722	1,883	1,811	1,550
Inspections/investigations	82,961	76,510**	72,530**	48,626	57,494	50,838
Plan reviews	4,303	3,315	5,191	6,094	3,576	3,720
Plan reviews-right of way	2,628	2,293	2,850	3,238	3,815	*
Notice of violations	7,152	7,974	6,292	6,735	5,820	*
Permits	13,640	16,384	11,787	13,808	16,940	16,871
Certificate of Occupancy	643	458	560	507	793	290
PC/BOA applications	451	483	700	1,282	1,260	608
Tree commission applications	17	25	27	16	29	40
Complete nuisance abatement cases	151	63	39	26	35	20
Complete weed abatement cases	680	540	660	410	480	160
Removal of trees	467	415	371	499	294	266
Trimming removal	4,556	7,612	4,557	1,813	806	665
Stump removal	196	238	221	366	381	406
<b>Human Resources<sup>2</sup></b>						
Medical claims	279	226	265	290	298	236
Indemnity claims	40	51	29	24	34	37
Total claims	319	277	294	314	332	273
<b>Mobile 311</b>						
Calls	109,681	116,030	110,655	110,168	100,234	72,126
SROs created	59,725	64,147	60,345	55,644	51,725	36,348
<b>Municipal Information Technology &amp; Telecommunications</b>						
Buildings with computer equipment	180	180	175	170	166	155
Miles of fiber	825	920	820	810	800	560
Wireless sites	27	22	20	25	35	45
Computer user accounts	2,850	2,750	2,680	2,850	2,821	2,407
Email accounts	2,050	2,200	2,203	2,050	1,810	1,576
Voicemail accounts	1,738	1,735	1,584	1,545	1,285	1,311
Computers/printers supported	2,450	2,600	2,496	2,450	2,397	2,302
Servers supported	75	90	90	75	60	81
800Mhz subscribers	1,906	1,906	1,906	1,906	1,906	1,906
City phone extensions	2,426	2,267	2,544	2,442	2,475	2,351
Broadband data cards	110	103	102	97	86	69
Software applications supported	409	408	391	375	342	*
MIT Help Desk cases	9,450	3,917	5,331	5,209	5,040	*
Number of employees trained	75	599	889	510	620	*
Cell phones	333	331	340	307	244	210
Telecom Help Desk requests	2,132	1,995	2,302	2,952	2,674	2,906
<b>Economic Development</b>						
<b>Mobile Historic Development Commission</b>						
Applications reviewed	471	469	433	584	597	577
Certificates issued	448	440	391	543	526	469
Applications heard by review board	93	111	158	226	226	108
Applications denied	5	11	16	7	24	14
<b>Public Safety</b>						
<b>Mobile Police Department</b>						
<b>Crime incidents:</b>						
Murder (or Non-Neg Manslaughter)	25	20	27	35	34	31
Murder domestic	7	2	2	3	6	3
Negligent manslaughter	-	-	-	-	2	1
Forcible rape	43	52	30	22	30	54
Carjacking	24	60	73	68	59	46
Robbery	622	686	775	833	639	601
Aggravated assault	999	1,035	301	311	370	398

**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST SIX<sup>1</sup> FISCAL YEARS**

<b>Function</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Burglary	3,844	3,882	3,493	3,182	3,416	3,349
Larceny	9,030	9,889	9,555	9,707	9,749	9,655
Vehicle theft	783	1,267	972	1,192	1,278	1,432
Arson	53	58	56	78	89	56
Simple Assault	3,818	1,171	5,639	5,822	5,929	6,230
Sex offenses	138	234	233	275	266	294
Narcotics Laws	2,333	3,388	3,096	3,059	3,115	3,189
Weapons Offence	382	398	400	383	354	352
Forgery-counterfeiting	401	395	382	652	623	623
D.U.I.	459	570	478	589	565	472
All Other Offenses	31,748	35,262	31,223	33,085	33,885	34,512
<b>Total Tickets</b>						
Following too close	66	101	129	118	57	45
Run red light	1,766	2,221	2,105	2,765	2,165	1,994
Run stop sign	1,336	2,143	1,971	2,251	1,097	1,148
Speeding	9,807	11,472	12,774	15,500	12,234	9,314
Speeding in school zone	320	325	255	218	183	132
<b>Mobile Fire Rescue Department</b>						
Total calls answered	32,858	35,713	34,248	31,712	30,579	25,588
Inspections	9,762	7,177	695	641	872	658
Plans reviewed	889	806	1,619	3,854	871	196
Permits issued	963	555	1,331	1,265	1,191	350
<b>Mobile Municipal Court</b>						
Total cases processed	71,996	72,230	67,571	76,578	69,951	57,772
Domestic violence cases	1,590	1,642	1,485	1,567	1,698	1,691
Environmental cases	3,709	3,977	3,285	4,311	2,614	2,610
Traffic cases	56,149	56,823	52,590	61,096	56,363	43,489
Criminal cases	10,548	9,788	10,211	9,604	9,276	9,982
<b>Public works</b>						
<b>Flood Control</b>						
Debris removed (cubic yards)	6,645	240	1,720	180	940	18,120
Work on ditches (miles)	13	28	30	36	32	141
<b>Administration</b>						
Disciplinary actions processed	379	385	320	102	152	175
Claims/reports processed	111	103	147	117	100	106
<b>Concrete and sidewalk repair</b>						
Concrete poured	2,452	2,919	4,114	5,305	3,238	2,342
Repairs	650	520	1,193	886	1,049	881
Replacements	8	39	507	526	540	522
<b>Right-of-way maintenance</b>						
Material hauled (cubic yards)	23,568	37,880	55,341	40,572	47,654	20,845
Material used (cubic yards)	5,590	9,220	9,450	8,845	9,930	7,825
Repairs	214	207	244	320	261	126
<b>Asphalt street repair</b>						
Asphalt used (tons)	1,088	1,466	2,402	2,376	3,152	2,467
Repairs	14,451	19,087	18,925	17,801	21,332	21,376
<b>Street Sweeping</b>						
Miles sweeper swept	15,902	17,400	16,400	17,623	18,319	19,260
Debris removed (cubic yards)	15,716	14,807	14,304	17,460	17,697	20,310
Water used (gallons)	220,750	276,397	299,604	369,640	467,000	840,000
<b>Dredge</b>						
Material dredged/removed (cubic yards)	13,745	24,344	15,035	25,130	49,650	46,809



**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST SIX<sup>1</sup> FISCAL YEARS**

Function	2011	2010	2009	2008	2007	2006
<b>Storm drain and heavy equipment</b>						
Drains cleaned	4,186	4,224	5,387	4,455	3,506	4,859
Material hauled (cubic yards)	4,176	15,744	16,188	5,472	11,448	13,458
<b>Solid waste</b>						
Waste removal (tons)	54,513	56,306	55,972	56,647	58,235	58,734
Other waste removal	110 (ton)	93 (ton)	68.27(ton)	57(ton)	227 (ton)	61,800 (cy)
Special events	240	199	245	242	160	560
Carcass removal	3,947	4,986	5,525	6,925	7,588	4,512
<b>Trash division</b>						
Trash picked up	189,960	191,300	201,900	231,900	264,602	333,285
Pay pile loads	570	600	526	896	977	610
<b>Environmental Response Crew</b>						
Collections (gallons)	734	1,240	805	1,442	1,338	4,643
Other collections (yards)	-	-	-	-	13	-
Cleaned (feet)	28,080	35,665	34,805	19,555	19,707	6,285
<b>Culture and Recreation</b>						
<b>Museum of Mobile</b>						
Total admissions	61,628	80,414	92,483	87,815	201,629	39,598
<b>Mobile Public Library</b>						
Items circulated	1,871,251	1,979,929	2,121,584	1,975,446	1,830,942	1,739,028
Customer visits	1,417,588	1,441,980	1,469,049	1,369,611	1,264,125	1,123,116

<sup>1</sup> Only years available

<sup>2</sup>2006-2008 data restated per information from the Human Resource Department.

\*Data not available

\*\* Data corrected

Source: Various City Departments

**CITY OF MOBILE, ALABAMA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST SIX<sup>1</sup> FISCAL YEARS**

<b>Function</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Streets and Highways</b>						
Paved	1,264.4	1,263.3	1,262.5	1,261.5	1,179.7	1,164.1
Unimproved	21.8	21.8	21.8	20.9	15.8	12.8
Traffic Signals	453	431	452	452	398	283
Street Lights	5,200	4,922	4,922	4,922	4,922	4,893
<b>Public Safety</b>						
<b>Police</b>						
Precincts and Mini-Precincts	9	8	9	10	10	8
<b>Fire</b>						
Number of Stations	20	20	20	20	19	17
<b>Culture and Recreation</b>						
Number of Parks	95	91	91	89	68	67
Parks Acreage	1,754	1,740	1,740	1740	1740**	1740**
Swimming Pools	5	7	7	7	6	6
Tennis Courts	92	97	97	97	97	87
Community Centers	15	17	17	17	16	16
<b>Motor Pool</b>						
Number of Sanitation Collection Trucks	37	36	48	34	31	*

\*Information not available

<sup>1</sup>Only years available

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

Source: Various City Departments