

CITY OF MOBILE, ALABAMA

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2012

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, 2012**

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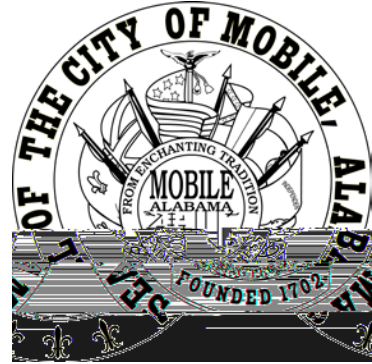
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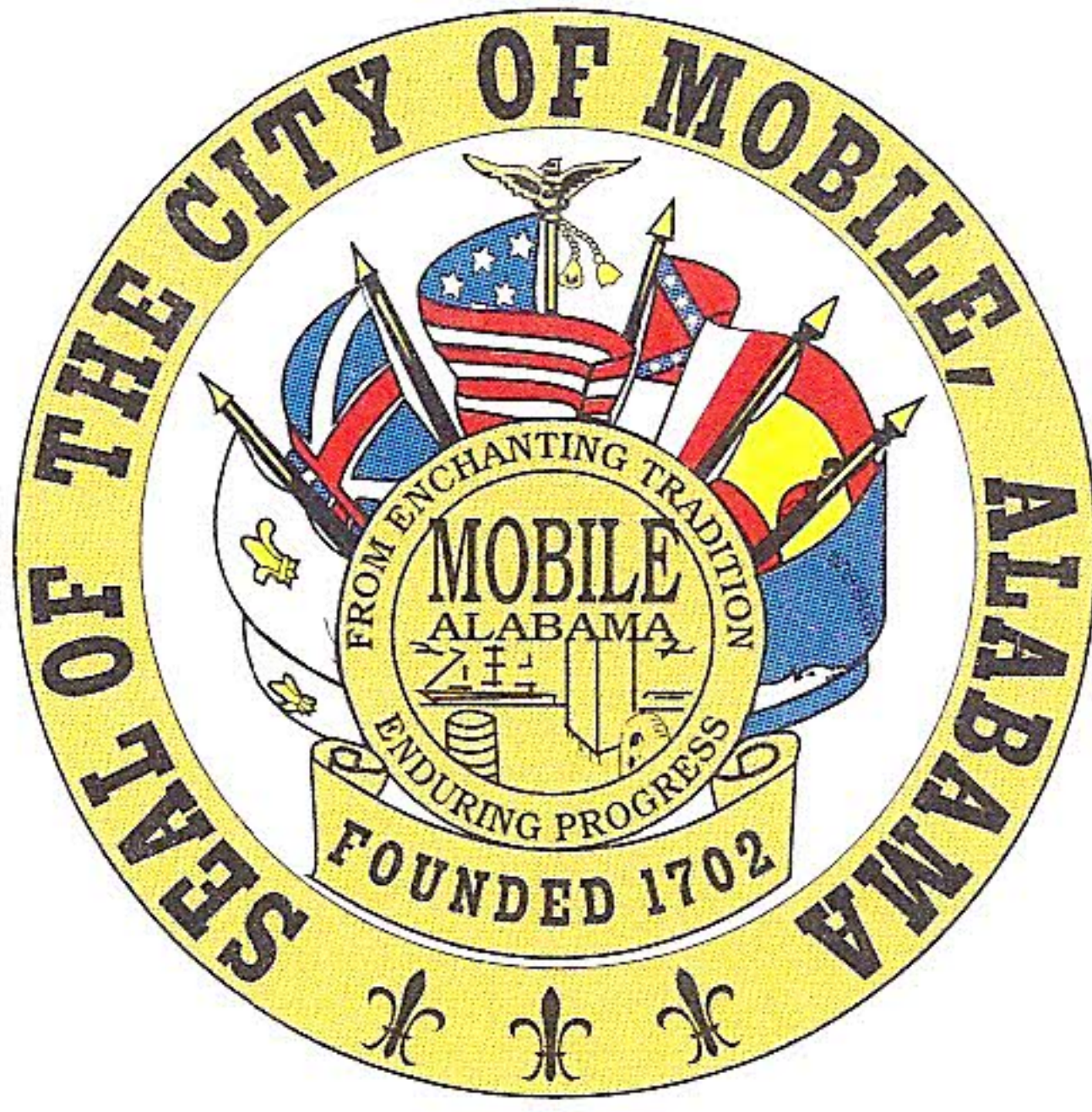
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SAMUEL L. JONES
MAYOR

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

April 26, 2013

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, 2012 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/Baldwin 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

Manufacturing and medical services continues to be driving factors for the economy of Mobile.

In July 2012 it was announced that Airbus has approved plans to construct a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex and will assemble A320 aircraft and will employ approximately 1,000 full-time workers at full-capacity. The construction phase of the project will create an estimated 2,500 jobs over a two year period.

Austal USA in Mobile has been commissioned by the US Navy to build the tenth and final ship under a joint high speed vessel contract. Austal is under contract to build all ten JHSV's for the Navy, as well as five 127-meter littoral combat ships, four of which are a part of a 10-ship, 3.5 billion contract. The JHSV and LCS contracts also have Austal looking to hire an additional 1,500 employees in the next 12 to 18 months, growing its Mobile shipyard from about 3,000 to 4,500 employees.

The economic slowdown that began in 2008 has continued through to 2012. To reinforce the City's ability to thrive in the present economy, a temporary one-cent sales tax was levied for the period November 1, 2012 through July 31, 2015. Sales and use taxes are the City's largest revenue source. The City continues to monitor and reduce cost of both personnel and operations.

The City's aggressive economic development efforts have had a significant effect on City revenues, as well as providing some relief from the conditions that have plagued all government units. Economic development planning that focuses far into the future has helped promote stability through business. Because Mobile has an active port and an aerospace complex we have drawn businesses from that sector to locate here. *Southern Business and Development* named Mobile one of its Top 10 successful aviation and aerospace clusters in the South and *fDi* magazine ranked Mobile No. 10 among small cities in its "American's Cities of the Future 2011/2012." *Business Facilities* named Mobile as one of the "Top Logistics Distribution and Shipping Hubs" for metro areas. Mobile's performance in job and wage growth earned the Port City the 34th spot in **Milken Institute's** annual list of the Best-Performing Cities of the Nation's top 200 metro areas.

In summary, the local economic outlook for upcoming years appears positive. 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 prioritising spending in 2013 and 2014 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 maintained the City's bond rating at Aa2 and Standard and Poor's maintained their AA- (stable) rating. This reflects 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, 2012 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 \$1,245,300 at September 30, 2012 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 \$9.70 million at September 30, 2012 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.07 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 2012 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 financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and especially the efforts of Patricia Aldrich, Comptroller. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. My sincere appreciation is also extended to our independent auditors, Banks, Finley, White & Co., CPAs, for their cooperation and technical guidance.

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

Sincerely,



Barbara S. Malkove
Executive Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mobile
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



Christopher P. Morrell

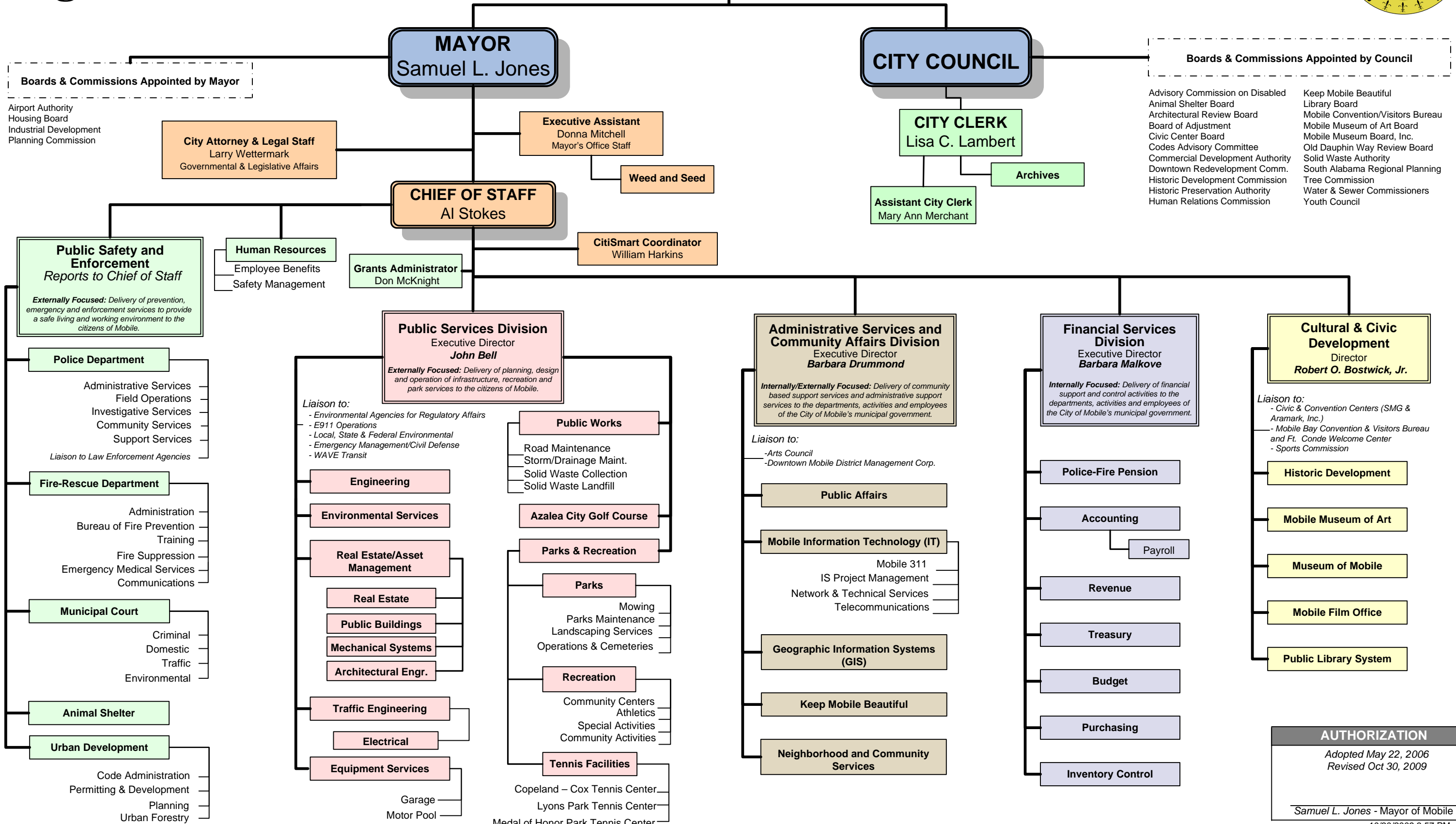
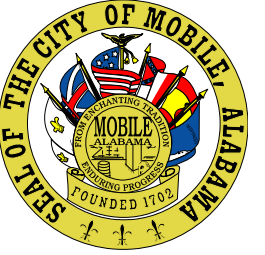
President

Jeffrey R. Emer

Executive Director

City of Mobile Organization Chart

CITY OF MOBILE CITIZENS



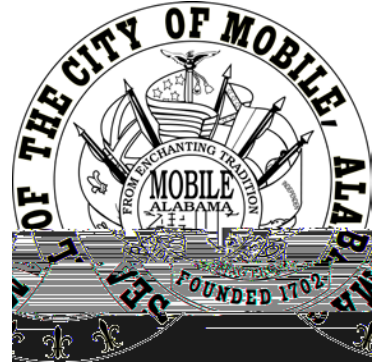
AUTHORIZATION
Adopted May 22, 2006
Revised Oct 30, 2009
Samuel L. Jones - Mayor of Mobile
10/30/2009 3:57 PM

CITY OF MOBILE, ALABAMA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2012

TITLE	NAME
Mayor	Samuel L. Jones
City Council	
District 1	Fredrick D. Richardson, Jr.
District 2	William Carroll
District 3	Jermaine A. Burrell
District 4	John C. Williams
District 5	Reggie Copeland, Sr.
District 6	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, 2012, 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 3.1 %, 5.4% and 4.8%, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for year then ended in conformity with accounting principles generally accepted in the United States of America.



To the Honorable Mayor and
Members of the City Council of
the City of Mobile, Alabama
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2013, 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 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 15 and 81 through 85 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 financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements, budgetary comparison information, and other financial schedules, as listed in the accompanying table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

April 26, 2013

Banks, Finley White & Co.
2

**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, 2012. 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 \$437.8 million (net assets). Of this amount the City had a deficit in unrestricted net assets of \$121.4 million offset by \$97.6 million in restricted net assets and \$461.7 million in capital assets net of related debt.
- ◆ The City's total net assets decreased \$27.2 million, or 5.85%, as a result of this year's operations. Net assets of our governmental activities decreased \$24.3 million, or 6.82%, and net assets of our business-type activities decreased \$2.90 million, or 2.66%.
- ◆ The City made two prior period adjustments in the current year which affected beginning net assets. The first prior period adjustment was to record the P & F negative net pension obligation which has accumulated since 2002 but never been recorded. This accounted for a \$76.6 million increase in beginning net assets. The second prior period adjustment was to properly record the activity at the cruise terminal which was bought by the City in 2008. This adjustment accounted for a \$0.3 million increase in beginning net assets. A more detailed explanation of these adjustments can be found at Note 19.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$89.1 million. This was a decrease of \$21.2 million or 19.2% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$19.8 million, a decrease of 44.0% from the prior year.
- ◆ There were no new bond issues in the current year.
- ◆ Sales and use tax, the City's single largest revenue source, decreased \$29.9 million or 17.4% from the prior year primarily due to a temporary one cent sales tax that was eliminated as of 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 16 - 18) 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 19. 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 36.

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 81.

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 \$437.8 million. This is a \$27.2 million decrease over last year's net assets of \$465.0 million. The following table provides a summary of the City's net assets:

	City of Mobile, Alabama							
	Summary of Net Assets							
	(dollars are in thousands)							
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	%
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011		
Current and other assets	\$ 194,136	\$ 211,508	\$ 12,486	\$ 13,966	\$ 206,622	\$ 225,474	\$ (18,852)	(8.36)%
Capital assets	633,655	621,955	102,280	103,400	735,935	725,355	10,580	1.46 %
Total assets	<u>\$ 827,791</u>	<u>\$ 833,463</u>	<u>\$ 114,766</u>	<u>\$ 117,366</u>	<u>\$ 942,557</u>	<u>\$ 950,829</u>	<u>\$ (8,272)</u>	(0.87)%
Long-term liabilities	\$ 461,447	\$ 441,908	\$ 797	\$ 943	\$ 462,244	\$ 442,851	\$ 19,393	4.38 %
Other liabilities	34,621	35,550	7,855	7,410	42,476	42,960	(484)	(1.13)%
Total liabilities	<u>496,068</u>	<u>477,458</u>	<u>8,652</u>	<u>8,353</u>	<u>504,720</u>	<u>485,811</u>	<u>18,909</u>	3.89 %
Net assets:								
Invested in capital assets, net of related debt	360,178	350,323	101,479	102,868	461,657	453,191	8,466	1.87 %
Restricted	97,601	95,804	-	-	97,601	95,804	1,797	1.88 %
Unrestricted	<u>(126,056)</u>	<u>(90,122)</u>	<u>4,635</u>	<u>6,145</u>	<u>(121,421)</u>	<u>(83,977)</u>	<u>(37,444)</u>	44.59 %
Total net assets	<u>331,723</u>	<u>356,005</u>	<u>106,114</u>	<u>109,013</u>	<u>437,837</u>	<u>465,018</u>	<u>(27,181)</u>	(5.85)%
Total liabilities and net assets	<u>\$ 827,791</u>	<u>\$ 833,463</u>	<u>\$ 114,766</u>	<u>\$ 117,366</u>	<u>\$ 942,557</u>	<u>\$ 950,829</u>	<u>\$ (8,272)</u>	(0.87)%

The largest portion of the City's net assets (105.4%) 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 (22.3%) 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 unrestricted net assets has a deficit balance of \$126.1 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 \$26.8 million during the current fiscal year. Although budget cuts were maintained during the year the deficit continued to increase.

Also, the unrestricted net assets for business-type activities show a balance of \$4.6 million which is a \$1.3 million decrease from the prior year. This decrease is due primarily to the operation of the cruise terminal. As of October 22, 2011, the cruise ship stationed in Mobile was 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)

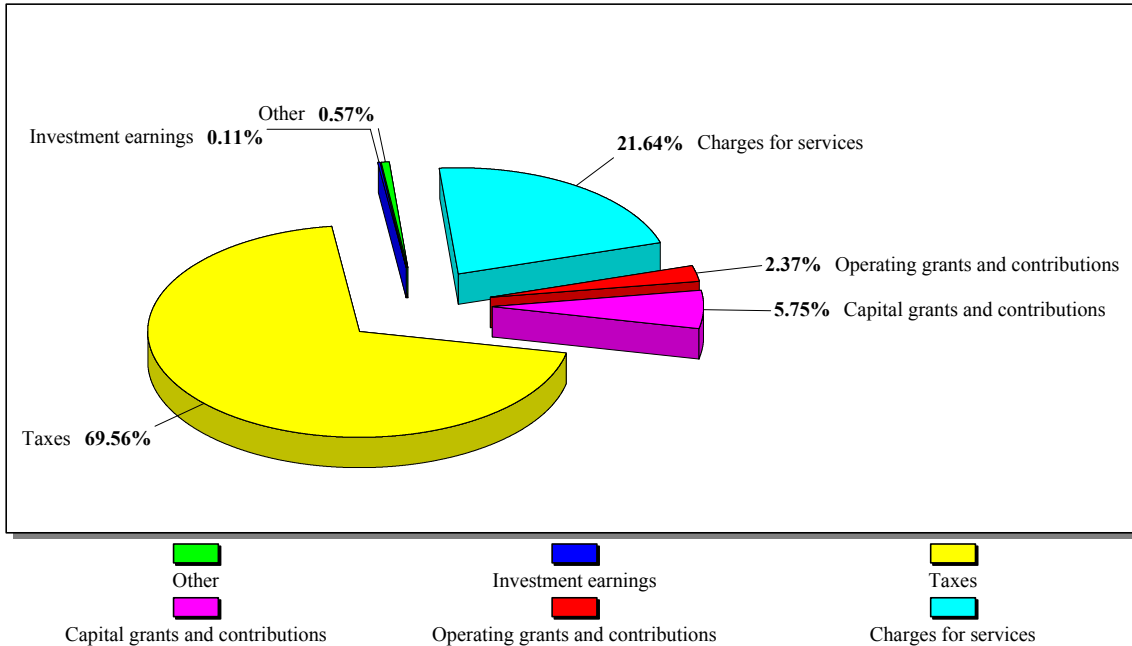
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	Restated		Restated		Restated			
	2012	2011	2012	2011	2012	2011		
Program Revenues:								
Charges for services	\$ 54,550	\$ 56,153	\$ 10,020	\$ 16,990	\$ 64,570	\$ 73,143	\$ (8,573)	(11.72)%
Operating grants and contributions	5,984	5,595	2,429	355	8,413	5,950	2,463	41.39 %
Capital grants and contributions	14,497	6,957	4,142	4,234	18,639	11,191	7,448	66.55 %
General revenues:								
Taxes	175,334	205,680	10,377	10,080	185,711	215,760	(30,049)	(13.93)%
Investment earnings	283	337	1	4	284	341	(57)	(16.72)%
Other	1,410	3,123	-	18	1,410	3,141	(1,731)	(55.11)%
Total revenues	<u>252,058</u>	<u>277,845</u>	<u>26,969</u>	<u>31,681</u>	<u>279,027</u>	<u>309,526</u>	<u>(30,499)</u>	<u>(9.85)%</u>
Program Expenses:								
General government	74,952	82,670	-	-	74,952	82,670	(7,718)	(9.34)%
Economic development	976	1,299	-	-	976	1,299	(323)	(24.87)%
Public safety	109,211	108,344	-	-	109,211	108,344	867	0.80 %
Public works	42,860	43,317	-	-	42,860	43,317	(457)	(1.06)%
Culture and recreation	23,928	25,263	-	-	23,928	25,263	(1,335)	(5.28)%
Finance	5,326	5,509	-	-	5,326	5,509	(183)	(3.32)%
Interest on long-term debt	14,880	15,119	-	-	14,880	15,119	(239)	(1.58)%
Alabama Cruise Terminal	-	-	1,046	3,690	1,046	3,690	(2,644)	(71.65)%
Civic Center	-	-	3,524	3,759	3,524	3,759	(235)	(6.25)%
Convention Center	-	-	8,415	9,801	8,415	9,801	(1,386)	(14.14)%
Golf Course	-	-	1,428	1,620	1,428	1,620	(192)	(11.85)%
Firemedics	-	-	6,385	6,113	6,385	6,113	272	4.45 %
Parking Garage	-	-	280	251	280	251	29	11.55 %
Tennis Center	-	-	602	613	602	613	(11)	(1.79)%
Affordable Homes Program	-	-	26	16	26	16	10	62.50 %
WAVE Transit	-	-	12,369	11,580	12,369	11,580	789	6.81 %
Total expenses	<u>272,133</u>	<u>281,521</u>	<u>34,075</u>	<u>37,443</u>	<u>306,208</u>	<u>318,964</u>	<u>(12,756)</u>	<u>(4.00)%</u>
Change in net assets before capital contributions and transfers	(20,075)	(3,676)	(7,106)	(5,762)	(27,181)	(9,438)	(17,743)	188.00 %
Transfers	(4,207)	(3,687)	4,207	3,687	-	-	-	- %
Change in net assets	<u>(24,282)</u>	<u>(7,363)</u>	<u>(2,899)</u>	<u>(2,075)</u>	<u>(27,181)</u>	<u>(9,438)</u>	<u>(17,743)</u>	<u>188.00 %</u>
Net assets, beginning, restated	<u>356,005</u>	<u>363,368</u>	<u>109,013</u>	<u>111,088</u>	<u>465,018</u>	<u>474,456</u>	<u>(9,438)</u>	<u>(1.99)%</u>
Net assets, ending	<u>\$ 331,723</u>	<u>\$ 356,005</u>	<u>\$ 106,114</u>	<u>\$ 109,013</u>	<u>\$ 437,837</u>	<u>\$ 465,018</u>	<u>\$ (27,181)</u>	<u>(5.85)%</u>

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2012.

*Prior period adjustments were made to correct the presentation of police and fire pension contributions and to correct the presentation of the cruise terminal in accordance with current generally accepted accounting principles. See Note 19 for further explanation.

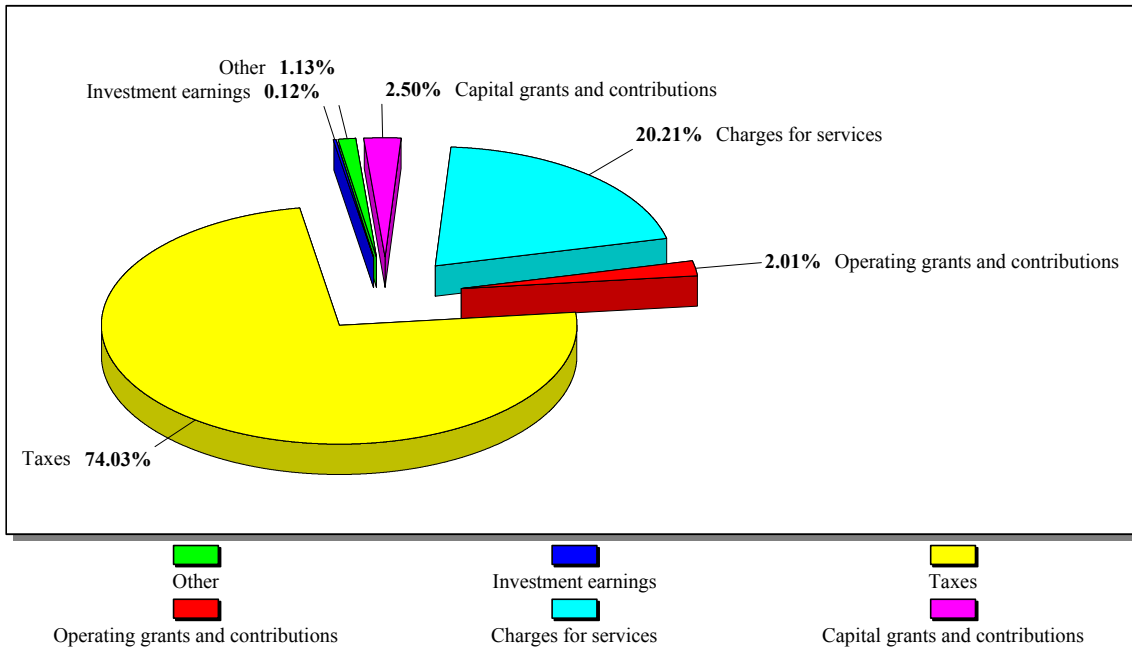
GOVERNMENTAL REVENUES

2012



GOVERNMENTAL REVENUES

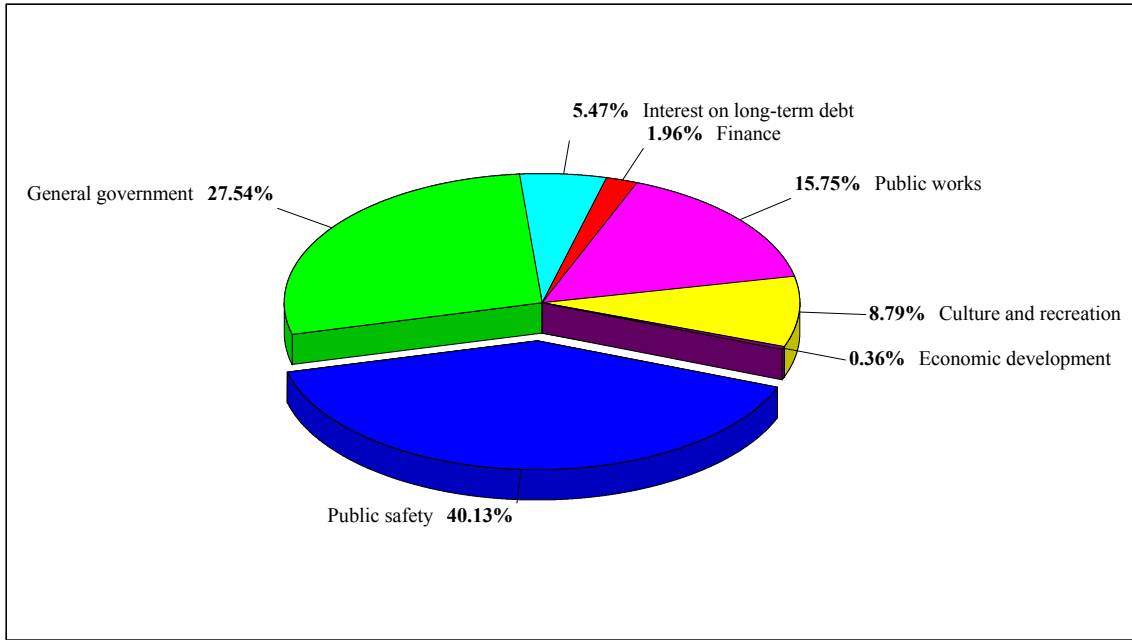
2011



As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 69.56% and 74.03% of the City's total governmental revenues in fiscal years 2012 and 2011, respectively.

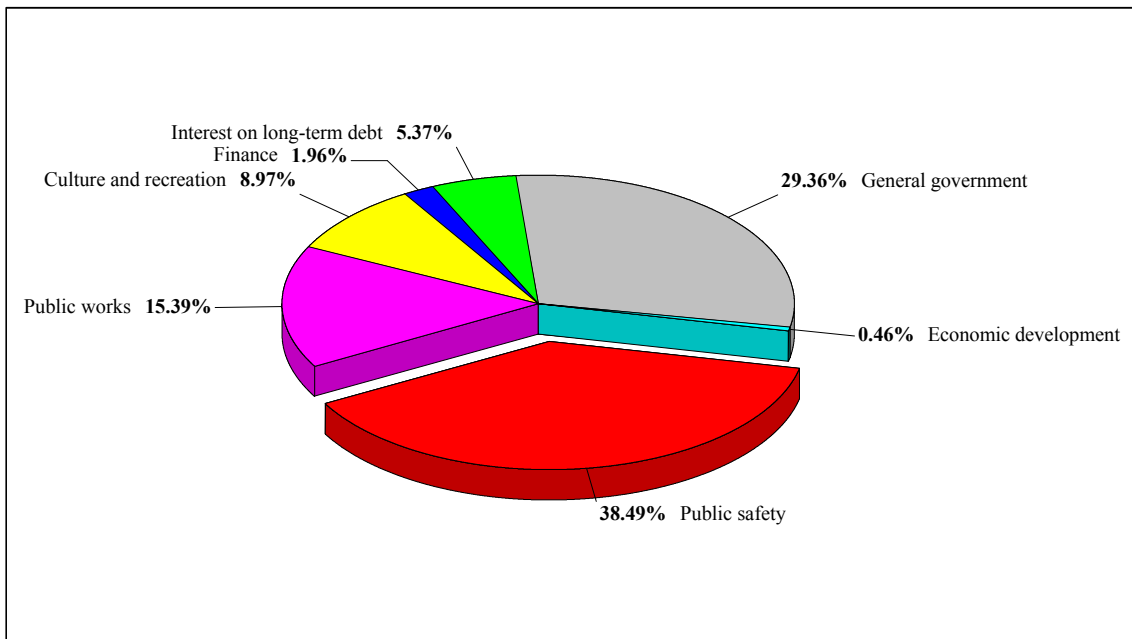
GOVERNMENTAL FUNCTIONAL EXPENSES

2012



GOVERNMENTAL FUNCTIONAL EXPENSES

2011



See the following page for discussion of these graphs.

Governmental activities

Governmental activities decreased the City's net assets by \$24.3 million. The key elements of this decrease are as follows:

- Excess expenses over revenue for governmental activities amounted to \$197.1 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$283,034 which was a decrease of \$54,462 from the prior year.
- Tax revenues amounted to \$175.3 million which was a decrease of 14.8% over the prior year and was due primarily to a temporary one percent sales tax being eliminated as of September 30, 2011.
- Other revenue amounted to \$1.4 million.
- Transfers out of governmental activities totaled \$4.2 million.

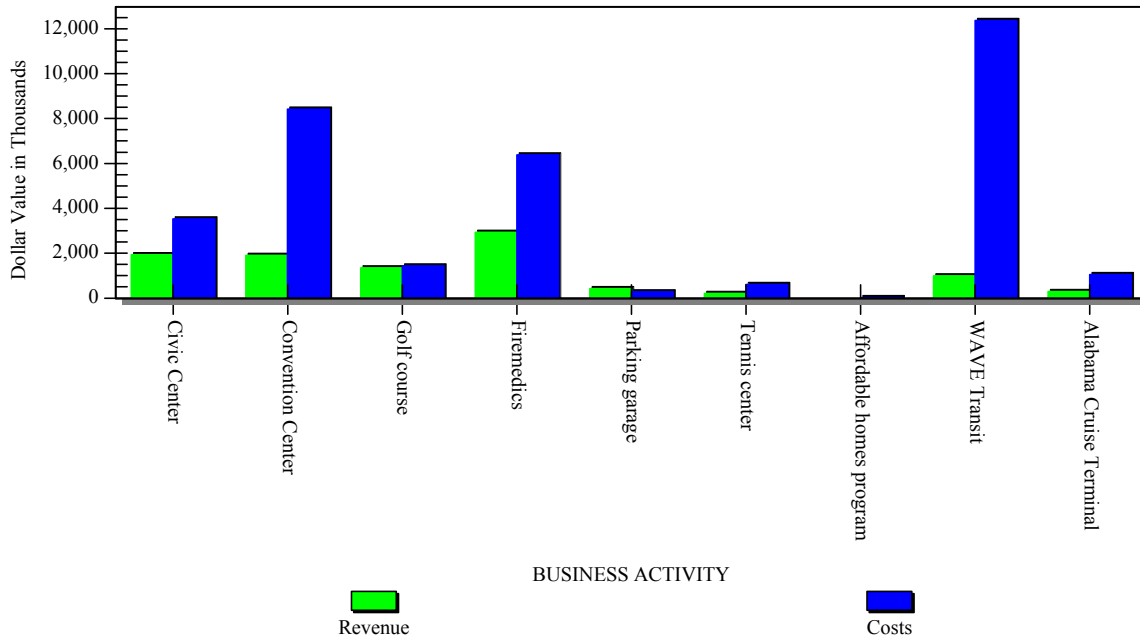
Governmental activity expenses decreased from the prior year. Of the \$272.1 million of governmental activity expenses, public safety was the largest operating cost, at 40.1% of total costs in 2012. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

Business-type activities

Business-type activities decreased the City's total net assets by \$2.9 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage business-type activity is self-supporting with user charges and other revenues designed to recover costs. The civic center, the convention center, firemedics, WAVE Transit, tennis center, golf course, and cruise terminal 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, and tennis center activities required subsidization by the City. The following graphs illustrate results of operations.

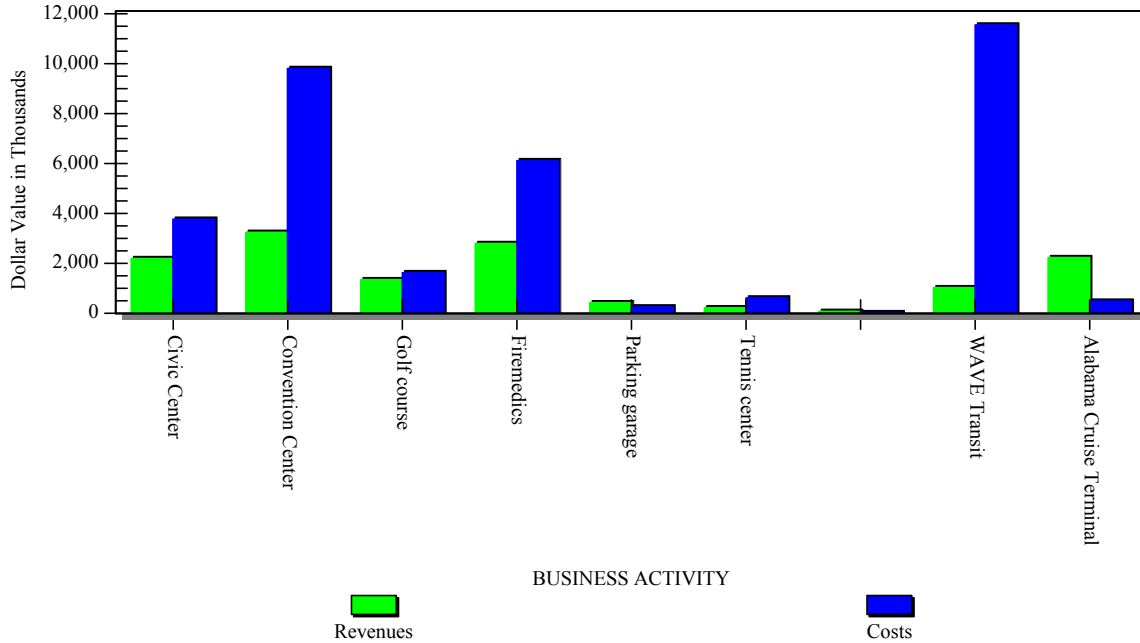
BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2012



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2011



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 \$89.1 million, of which \$11.4 million is unassigned, indicating availability for continuing the City's service requirements. The nonspendable fund balance is \$3.3 million and stems from inventory and long-term receivables. Restricted fund balance is \$32.2 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$11.1 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$31.1 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 \$21.2 million decrease from the prior year. This decrease is primarily due to a decrease in revenues of \$30.2 million. Operating budgets were cut during the year but a temporary one percent sales tax was eliminated on September 30, 2011.

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 decreased by approximately \$15.6 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$26.0 million which includes a net increase of \$2.4 million.

The 2006 G.O. Refunding and Capital Projects fund has a fund balance of \$1.2 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 \$163,315 as a result of increased capital outlays.

The 2008 G.O. Capital Improvements Projects fund has a fund balance of \$5.3 million. This fund accounts for expenditures related to certain capital improvement projects of the City. The fund balance in this fund decreased by \$0.8 million as a result of increased capital outlays.

The 2009B G.O. Capital Project - BAB Taxable Warrants fund has a fund balance of \$5.2 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 \$7.8 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 \$2.9 million during the current fiscal year. The major factor for this decrease is that on October 22, 2011 Carnival Cruise Lines discontinued cruise operations from Mobile and the City continues to explore alternative options for the cruise terminal.

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 increased by \$1.5 million from the prior year, primarily due to increases in transfers to the funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The deficiency of revenues over expenditures on a budgetary basis during the year was \$0.9 million. The following are the main components of the deficiency:

- Tax revenue was under expected budgeted amounts by \$1.0 million due to a continued sluggish economy.
- State and federal assistance revenue was over budget by \$18.5 million. These amounts are not included in the original or final budget.
- Departmental expenditures were under budget by \$3.7 million
- Nondepartmental expenditures which include mandated activities, joint ventures, agencies, employee cost, state and federal projects, etc. were over budget by \$21.9 primarily due to state and federal assistance expenditures which are not included in the original or final budget.

The amended budget for fiscal year 2012 was approximately \$185 million. This was a decrease of \$28 million over the prior year amended budget.

Total revenues were approximately \$20.4 million over budget while expenditures were \$18.3 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, 2012, the City's investment in capital assets, net of related debt for governmental and business-type activities was \$360.2 million and \$101.5 million, respectively. The increase was \$8.6 million from 2011 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Non-depreciable capital assets:							
Land	\$ 27,344	\$ 25,516	\$ 10,616	\$ 10,544	\$ 37,960	\$ 36,060	5.27 %
Infrastructure-in-progress	16,696	38,590	-	-	16,696	38,590	(56.73)%
Construction-in-progress	51,318	44,266	2,589	478	53,907	44,744	20.48 %
Intangible assets	3,279	2,579	-	-	3,279	2,579	27.14 %
Depreciable capital assets, net							
Buildings	43,825	34,971	75,787	78,133	119,612	113,104	5.75 %
Improvements	75,193	75,464	5,928	6,277	81,121	81,741	(0.76)%
Vehicular equip	17,650	17,336	5,974	6,384	23,624	23,720	(0.40)%
Other equip	9,524	10,458	1,386	1,584	10,910	12,042	(9.40)%
Infrastructure	<u>388,826</u>	<u>372,775</u>	<u>-</u>	<u>-</u>	<u>388,826</u>	<u>372,775</u>	4.31 %
Total capital assets, net	<u>\$ 633,655</u>	<u>\$ 621,955</u>	<u>\$ 102,280</u>	<u>\$ 103,400</u>	<u>\$ 735,935</u>	<u>\$ 725,355</u>	1.46 %

Long-Term Debt

As of September 30, 2012, the City had \$303.9 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 \$8.7 million and made payments of \$0.7 million for capital lease obligations. Interest payments on long-term debt totaled \$14.6 million. More information on long-term debt activity can be found in the Notes to the Financial Statements in Note 8 - Long Term Debt. 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Bonds and warrants	\$ 295,149	\$ 302,619	\$ -	\$ -	\$ 295,149	\$ 302,619	(2.47)%
Notes payable	4,170	4,730	-	-	4,170	4,730	(11.84)%
Obligations under capital leases	<u>4,240</u>	<u>5,288</u>	<u>362</u>	<u>532</u>	<u>4,602</u>	<u>5,820</u>	(20.93)%
Total long-term debt	<u>\$ 303,559</u>	<u>\$ 312,637</u>	<u>\$ 362</u>	<u>\$ 532</u>	<u>\$ 303,921</u>	<u>\$ 313,169</u>	(2.95)%

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- (stable) 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, 2012, the City's permissible debt limit exceeded actual debt by approximately \$218.4 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City currently continues to face sluggish revenues. A temporary one-cent sales tax was implemented November 1, 2012 and will remain in effect until July 31, 2015.

The City continues to explore options for the continued use of the cruise terminal.

Airbus will begin construction of a \$600 million aircraft assembly plant in Mobile at Brookley Aeroplex in 2013. The construction phase of the project will create an estimated 2,500 jobs over a two year period.

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, 2012**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash, equity in pooled cash and investments	\$ 84,519,220	\$ 8,656,948	\$ 93,176,168	\$ 4,441,782
Restricted cash - capital purchases	154,325	-	154,325	-
Receivables - net	25,916,361	5,431,105	31,347,466	283,938
Inventories	2,389,694	292,533	2,682,227	-
Internal balances	2,176,221	(2,176,221)	-	-
Other assets	2,622,439	280,944	2,903,383	-
P&F Negative Net Pension Obligation (Asset)	76,357,260	-	76,357,260	-
Nondepreciable capital assets	98,637,886	13,204,593	111,842,479	-
Depreciable capital assets, net	535,017,400	89,075,708	624,093,108	574,596
Total assets	<u>\$ 827,790,806</u>	<u>\$ 114,765,610</u>	<u>\$ 942,556,416</u>	<u>\$ 5,300,316</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 18,028,727	\$ 3,336,227	\$ 21,364,954	\$ 557,719
Unearned revenue	1,281,820	4,518,439	5,800,259	-
Police & Fire Pension Employer Contribution Payable	15,310,688	-	15,310,688	-
Noncurrent liabilities:				
Due in less than 1 year:				
Bonds and warrants payable	10,272,698	-	10,272,698	-
Notes payable	385,000	-	385,000	-
Capital lease obligations	894,088	177,339	1,071,427	-
Compensated absences	1,080,080	92,629	1,172,709	36,871
Insurance claims	4,347,952	-	4,347,952	-
Landfill postclosure liability	42,632	-	42,632	-
Due in more than 1 year:				
Bonds and warrants payable	284,876,411	-	284,876,411	-
Notes payable	3,785,000	-	3,785,000	-
Capital lease obligations	3,346,323	184,751	3,531,074	-
Compensated absences	12,956,534	342,756	13,299,290	364,119
Self-insured liability - legal	1,245,300	-	1,245,300	-
Insurance claims	7,381,688	-	7,381,688	-
Landfill postclosure liability	810,077	-	810,077	-
Postemployment benefits	130,023,000	-	130,023,000	-
Total liabilities	<u>496,068,018</u>	<u>8,652,141</u>	<u>504,720,159</u>	<u>958,709</u>
NET ASSETS				
Invested in capital assets, net of related debt	360,178,198	101,478,517	461,656,715	574,596
Restricted for:				
Police and Fire Pension	76,357,260	-	76,357,260	-
Capital projects	7,251,027	-	7,251,027	-
Debt Service	4,516,268	-	4,516,268	-
Economic development	7,306,015	-	7,306,015	-
Grant programs	2,169,963	-	2,169,963	-
Unrestricted	(126,055,943)	4,634,952	(121,420,991)	3,767,011
Total net assets	<u>331,722,788</u>	<u>106,113,469</u>	<u>437,836,257</u>	<u>4,341,607</u>
Total liabilities and net assets	<u>\$ 827,790,806</u>	<u>\$ 114,765,610</u>	<u>\$ 942,556,416</u>	<u>\$ 5,300,316</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 74,952,084	\$ 48,142,712	\$ 1,150,925	\$ 8,221,978
Economic development	975,841	-	-	1,973,176
Public safety	109,210,514	5,652,106	4,830,412	1,953,078
Public works	42,860,205	296,647	-	2,348,623
Culture and recreation	23,928,393	458,196	2,791	-
Finance	5,325,800	-	-	-
Interest on long-term debt	14,880,418	-	-	-
Total governmental activities	<u>272,133,255</u>	<u>54,549,661</u>	<u>5,984,128</u>	<u>14,496,855</u>
Business-Type Activities:				
Alabama Cruise Terminal	1,045,826	291,867	-	-
Civic Center	3,523,551	1,938,375	-	-
Convention Center	8,415,212	1,902,004	-	-
Golf course	1,428,306	1,348,748	-	-
Firemedics	6,385,225	2,927,822	-	-
Parking garage	280,776	414,799	-	-
Tennis Center	602,193	211,361	-	-
Affordable homes program	25,141	-	-	-
WAVE Transit	12,369,217	984,645	2,429,300	4,142,259
Total business-type activities	<u>34,075,447</u>	<u>10,019,621</u>	<u>2,429,300</u>	<u>4,142,259</u>
Total primary government	<u>306,208,702</u>	<u>64,569,282</u>	<u>8,413,428</u>	<u>18,639,114</u>
Component units:				
Mobile Public Library	9,214,316	714,688	221,322	3,426
Public Park and Recreation Board	881,566	1,111,000	-	-
Total component units	<u>\$ 10,095,882</u>	<u>\$ 1,825,688</u>	<u>\$ 221,322</u>	<u>\$ 3,426</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, restated

Net Assets End of Year

See Accompanying Notes to the Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (17,436,469)	\$ -	\$ (17,436,469)	\$ -
997,335	-	997,335	-
(96,774,918)	-	(96,774,918)	-
(40,214,935)	-	(40,214,935)	-
(23,467,406)	-	(23,467,406)	-
(5,325,800)	-	(5,325,800)	-
(14,880,418)	-	(14,880,418)	-
<u>(197,102,611)</u>	<u>-</u>	<u>(197,102,611)</u>	<u>-</u>
-	\$ (753,959)	(753,959)	-
-	(1,585,176)	(1,585,176)	-
-	(6,513,208)	(6,513,208)	-
-	(79,558)	(79,558)	-
-	(3,457,403)	(3,457,403)	-
-	134,023	134,023	-
-	(390,832)	(390,832)	-
-	(25,141)	(25,141)	-
-	<u>(4,813,013)</u>	<u>(4,813,013)</u>	<u>-</u>
-	<u>(17,484,267)</u>	<u>(17,484,267)</u>	<u>-</u>
<u>(197,102,611)</u>	<u>(17,484,267)</u>	<u>(214,586,878)</u>	<u>-</u>
-	-	-	\$ (8,274,880)
-	-	-	229,434
-	-	-	<u>\$ (8,045,446)</u>
16,262,921	-	16,262,921	-
133,215,345	8,715,107	141,930,452	-
9,680,455	-	9,680,455	-
5,003,180	1,662,898	6,666,078	-
2,031,634	-	2,031,634	-
6,309,404	-	6,309,404	-
2,200,090	-	2,200,090	-
411,392	-	411,392	-
147,964	-	147,964	-
71,835	-	71,835	-
-	-	-	8,342,608
283,034	223	283,257	90,271
1,409,680	-	1,409,680	-
<u>(4,206,588)</u>	<u>4,206,588</u>	<u>-</u>	<u>-</u>
<u>172,820,346</u>	<u>14,584,816</u>	<u>187,405,162</u>	<u>8,432,879</u>
<u>(24,282,265)</u>	<u>(2,899,451)</u>	<u>(27,181,716)</u>	<u>387,433</u>
<u>356,005,053</u>	<u>109,012,920</u>	<u>465,017,973</u>	<u>3,954,174</u>
<u>\$ 331,722,788</u>	<u>\$ 106,113,469</u>	<u>\$ 437,836,257</u>	<u>\$ 4,341,607</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, 2012**

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
ASSETS		
Cash, equity in pooled cash and investments	\$ 10,576,394	\$ 25,295,967
Restricted cash - capital purchases	-	154,325
Receivables, net	22,804,591	1,835,758
Due from other funds	3,817,803	660,000
Inventories	2,389,694	-
Other assets	10,000	-
Total assets	<u>\$ 39,598,482</u>	<u>\$ 27,946,050</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,232,490	\$ 1,476,145
Deferred revenue	1,281,820	135,173
Due to other funds	343,315	350,000
Compensated absences - terminated employees	270,020	-
Insurance claims payable	569,691	-
Escrowed funds liability	61,268	-
Total liabilities	<u>19,758,604</u>	<u>1,961,318</u>
FUND BALANCES		
Nonspendable	3,264,694	-
Restricted	2,848,846	-
Committed	-	3,672,116
Assigned	2,355,302	22,312,616
Unassigned	11,371,036	-
Total fund balances	<u>19,839,878</u>	<u>25,984,732</u>
Total liabilities and fund balances	<u>\$ 39,598,482</u>	<u>\$ 27,946,050</u>

See Accompanying Notes to the Financial Statements.

<u>2006 G. O. Refunding and Capital Projects Funds</u>	<u>2008 G. O. Capital Improvements Projects</u>	<u>2009B G O Cap Proj - BAB 2009 Taxable Warrants</u>	<u>Governmental Funds - Non Major</u>	<u>Total Governmental Funds</u>
\$ 1,261,706	\$ 5,570,096	\$ 6,536,187	\$ 31,957,767	\$ 81,198,117
-	-	-	-	154,325
-	-	-	1,259,300	25,899,649
-	-	-	-	4,477,803
-	-	-	-	2,389,694
-	-	-	-	10,000
<u>\$ 1,261,706</u>	<u>\$ 5,570,096</u>	<u>\$ 6,536,187</u>	<u>\$ 33,217,067</u>	<u>\$ 114,129,588</u>
\$ 61,171	\$ 235,618	\$ 1,318,476	\$ 1,438,913	\$ 21,762,813
-	-	-	-	1,416,993
-	-	-	300,000	993,315
-	-	-	-	270,020
-	-	-	-	569,691
-	-	-	-	61,268
<u>61,171</u>	<u>235,618</u>	<u>1,318,476</u>	<u>1,738,913</u>	<u>25,074,100</u>
-	-	-	-	3,264,694
1,200,535	5,334,478	5,217,711	17,584,781	32,186,351
-	-	-	7,435,191	11,107,307
-	-	-	6,458,182	31,126,100
-	-	-	-	11,371,036
<u>1,200,535</u>	<u>5,334,478</u>	<u>5,217,711</u>	<u>31,478,154</u>	<u>89,055,488</u>
<u>\$ 1,261,706</u>	<u>\$ 5,570,096</u>	<u>\$ 6,536,187</u>	<u>\$ 33,217,067</u>	<u>\$ 114,129,588</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, 2012**

Total Fund Balances - Governmental Funds	\$ 89,055,488	
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	\$ 846,785,196	
Less accumulated depreciation	<u>(221,375,342)</u>	625,409,854
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Bond costs	3,522,568	
Less accumulated amortization	<u>(910,129)</u>	2,612,439
Police & Fire Pension Negative Net Pension Obligation		76,357,260
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(1,827,072)	
Police & Fire Pension Employer Contribution Payable	(8,893,530)	
Bonds and warrants payable	(295,149,109)	
Notes payable	(4,170,000)	
Capital lease obligations	(3,064,651)	
Compensated absences	(13,766,594)	
Insurance claims payable	(9,090,762)	
Landfill postclosure liability	(852,709)	
OPEB liability	<u>(130,023,000)</u>	(466,837,427)
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.		135,173
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.		<u>4,990,001</u>
Total Net Assets - Governmental Activities		<u>\$ 331,722,788</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, 2012

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
Revenues		
Taxes	\$ 139,700,571	\$ 19,504,122
Licenses and permits	33,685,291	-
Intergovernmental	443,642	-
Charges for services	7,982,937	-
Fines and forfeitures	4,365,667	-
State and federal assistance	18,514,863	-
Interest	245,185	38
Other revenue	913,504	503,213
Total revenues	<u>205,851,660</u>	<u>20,007,373</u>
Expenditures		
Current:		
General government	16,672,894	-
Economic development	801,029	-
Public safety	79,899,320	-
Public works	34,990,667	-
Culture and recreation	13,396,491	-
Finance	4,672,001	-
Nondepartmental	56,318,416	-
Capital outlay	-	7,352,283
Debt Service:		
Principal payments	-	650,111
Interest and fees	60,931	120,348
Total expenditures	<u>206,811,749</u>	<u>8,122,742</u>
Excess (deficiency) of revenues over expenditures	<u>(960,089)</u>	<u>11,884,631</u>
Other financing sources (uses)		
Transfers in	6,893,902	1,098,000
Transfers out	(21,560,892)	(10,537,845)
Proceeds from disposal of assets	13,123	-
Total other financing sources (uses)	<u>(14,653,867)</u>	<u>(9,439,845)</u>
Net change in fund balance	<u>(15,613,956)</u>	<u>2,444,786</u>
Fund balances, beginning of the year	<u>35,453,834</u>	<u>23,539,946</u>
Fund balances, end of the year	<u>\$ 19,839,878</u>	<u>\$ 25,984,732</u>

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
\$ -	\$ -	\$ -	\$ 15,911,127	\$ 175,115,820
-	-	-	2,741,821	36,427,112
-	-	-	-	443,642
-	-	-	277,114	8,260,051
-	-	-	-	4,365,667
-	-	-	1,636,373	20,151,236
390	8,797	10,467	18,158	283,035
-	-	-	1,743	1,418,460
<u>390</u>	<u>8,797</u>	<u>10,467</u>	<u>20,586,336</u>	<u>246,465,023</u>
-	-	-	-	16,672,894
-	-	-	-	801,029
-	-	-	-	79,899,320
-	-	-	-	34,990,667
-	-	-	-	13,396,491
-	-	-	-	4,672,001
-	-	-	3,095,450	59,413,866
163,705	853,012	7,853,538	5,684,729	21,907,267
-	-	-	8,099,064	8,749,175
-	-	-	14,087,418	14,268,697
<u>163,705</u>	<u>853,012</u>	<u>7,853,538</u>	<u>30,966,661</u>	<u>254,771,407</u>
<u>(163,315)</u>	<u>(844,215)</u>	<u>(7,843,071)</u>	<u>(10,380,325)</u>	<u>(8,306,384)</u>
-	-	-	22,464,672	30,456,574
-	-	-	(11,215,865)	(43,314,602)
-	-	-	-	13,123
-	-	-	11,248,807	(12,844,905)
<u>(163,315)</u>	<u>(844,215)</u>	<u>(7,843,071)</u>	<u>868,482</u>	<u>(21,151,289)</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>
<u>\$ 1,200,535</u>	<u>\$ 5,334,478</u>	<u>\$ 5,217,711</u>	<u>\$ 31,478,154</u>	<u>\$ 89,055,488</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, 2012

Net Change in Fund Balances - Total Governmental Funds		\$(21,151,289)
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	\$ 31,464,756	
Less accumulated depreciation	<u>(19,235,873)</u>	12,228,883
Contributions of capital assets are not reported as income in governmental funds		102,000
Change in deferred revenue		5,202
Change in Police & Fire Pension Negative Net Pension Obligation		(292,564)
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.		
Principal payments - capital lease obligations	650,111	
Principal payments - bonds and notes payable	<u>8,659,065</u>	9,309,176
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	(919,247)	
Amortization of current year bond premium	309,301	
Amortization of current year bond costs	(185,459)	
Amortization of current year bond discount	(19,306)	
Change in long-term compensated absences	162,466	
Change in long-term insurance claims	(1,798,809)	
Change in long-term landfill postclosure liability	40,993	
Change in accrued interest	56,998	
Change in pension contribution	3,305,283	
Change in OPEB liability	(26,778,000)	
Gain (loss) on disposal of capital assets	<u>(164,053)</u>	(25,989,833)
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>1,506,160</u>
Change in net assets of governmental activities		<u><u>\$(24,282,265)</u></u>

See Accompanying Notes to the Financial Statements.

PROPRIETARY FUNDS

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

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

**CITY OF MOBILE, ALABAMA
BALANCE SHEET
PROPRIETARY FUNDS
SEPTEMBER 30, 2012**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 417,026	\$ 6,240,573	\$ 164,466
Receivables, net	80,698	1,043,077	2,260,861
Due from other funds	-	-	343,315
Other assets	3,867	11,162	246,515
Inventories	11,554	44,118	162,915
Total current assets	<u>513,145</u>	<u>7,338,930</u>	<u>3,178,072</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	7,465,908	2,044,941
Depreciable capital assets, net	7,517,420	38,740,218	18,395,281
Total noncurrent assets	<u>7,741,770</u>	<u>46,206,126</u>	<u>20,440,222</u>
Total assets	<u>\$ 8,254,915</u>	<u>\$ 53,545,056</u>	<u>\$ 23,618,294</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 422,641	\$ 470,656	\$ 1,495,028
Deferred revenue	199,250	138,521	-
Capital lease obligations - current portion	-	-	177,339
Compensated absences	-	-	92,629
Insurance claims payable	-	-	-
Due to other funds	-	-	1,801,788
Total current liabilities	<u>621,891</u>	<u>609,177</u>	<u>3,566,784</u>
Noncurrent liabilities:			
Compensated absences	-	-	342,756
Self-insured liability - legal	-	-	-
Capital lease obligations, net of current portion	-	-	184,751
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>527,507</u>
Total liabilities	<u>621,891</u>	<u>609,177</u>	<u>4,094,291</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,741,769	45,811,814	20,078,132
Unrestricted	(108,745)	7,124,065	(554,129)
Total net assets	<u>7,633,024</u>	<u>52,935,879</u>	<u>19,524,003</u>
Total liabilities and net assets	<u>\$ 8,254,915</u>	<u>\$ 53,545,056</u>	<u>\$ 23,618,294</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,180,807	\$ 7,709	\$ 646,367	\$ 8,656,948	\$ 3,321,103
235,000	2,918	1,808,551	5,431,105	16,712
825,380	-	-	1,168,695	-
-	19,400	-	280,944	-
-	-	73,946	292,533	-
<u>2,241,187</u>	<u>30,027</u>	<u>2,528,864</u>	<u>15,830,225</u>	<u>3,337,815</u>
1,895,790	-	1,457,640	13,088,629	-
4,301,733	17,891,505	2,345,515	89,191,672	8,245,432
<u>6,197,523</u>	<u>17,891,505</u>	<u>3,803,155</u>	<u>102,280,301</u>	<u>8,245,432</u>
<u>\$ 8,438,710</u>	<u>\$ 17,921,532</u>	<u>\$ 6,332,019</u>	<u>\$ 118,110,526</u>	<u>\$ 11,583,247</u>
\$ 38,502	\$ 34,915	\$ 874,485	\$ 3,336,227	\$ 794,732
4,170,918	8,250	1,500	4,518,439	-
-	-	-	177,339	222,733
-	-	-	92,629	-
-	-	-	-	2,069,187
-	430,000	1,113,128	3,344,916	1,308,267
<u>4,209,420</u>	<u>473,165</u>	<u>1,989,113</u>	<u>11,469,550</u>	<u>4,394,919</u>
-	-	-	342,756	-
-	-	-	-	1,245,300
-	-	-	184,751	953,027
-	-	-	527,507	2,198,327
<u>4,209,420</u>	<u>473,165</u>	<u>1,989,113</u>	<u>11,997,057</u>	<u>6,593,246</u>
6,197,522	17,891,505	3,757,775	101,478,517	7,069,673
(1,968,232)	(443,138)	585,131	4,634,952	(2,079,672)
<u>4,229,290</u>	<u>17,448,367</u>	<u>4,342,906</u>	<u>106,113,469</u>	<u>4,990,001</u>
<u>\$ 8,438,710</u>	<u>\$ 17,921,532</u>	<u>\$ 6,332,019</u>	<u>\$ 118,110,526</u>	<u>\$ 11,583,247</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, 2012

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Facility rent	\$ 406,779	\$ 607,014	\$ -
Sales revenue	-	-	-
Parking fees	334,347	140,555	-
User charges	767,967	186,701	935,638
Concessions	212,160	853,235	-
Miscellaneous revenue	217,122	114,499	49,007
Cost reimbursement	-	-	-
Total operating revenues	<u>1,938,375</u>	<u>1,902,004</u>	<u>984,645</u>
OPERATING EXPENSES			
Utilities	650,528	584,740	148,611
Materials	-	-	-
Cost of goods sold	-	-	-
Personnel services	1,252,369	2,059,079	7,295,869
Professional and technical	295,291	2,750,996	-
Maintenance and repairs	-	-	-
Commodities	89,193	1,018,611	2,050,112
Printing and reproduction	-	-	-
Insurance payments	-	-	309,309
Self-insured liability - legal	-	-	-
Event expenses	672,236	83,362	-
Other charges	157,259	659,835	589,575
Depreciation	406,676	1,258,590	1,571,741
Total operating expenses	<u>3,523,552</u>	<u>8,415,213</u>	<u>11,965,217</u>
Operating income (loss)	<u>(1,585,177)</u>	<u>(6,513,209)</u>	<u>(10,980,572)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	10,378,005	-
Investment income	-	-	-
Interest and fees	-	-	(21,646)
Gain (loss) on disposal of capital assets	-	-	57,648
Federal grants	-	-	2,202,500
Planning grants	-	-	226,800
Capital transfer to other governmental entity	-	-	(440,001)
Damaged vehicles reimbursement	-	-	-
Retiree Drug Subsidy	-	-	-
Net nonoperating revenues (expenses)	<u>-</u>	<u>10,378,005</u>	<u>2,025,301</u>
Net income (loss) before contributions and transfers	<u>(1,585,177)</u>	<u>3,864,796</u>	<u>(8,955,271)</u>
Capital grants and contributions	-	-	4,142,259
Transfers in	1,102,228	-	7,695,085
Transfers out	-	(4,631,066)	(3,082,410)
Change in net assets	<u>(482,949)</u>	<u>(766,270)</u>	<u>(200,337)</u>
Net assets - beginning, restated	<u>8,115,973</u>	<u>53,702,149</u>	<u>19,724,340</u>
Net assets - end of the year	<u>\$ 7,633,024</u>	<u>\$ 52,935,879</u>	<u>\$ 19,524,003</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 414,799	\$ 89,029	\$ -	\$ 1,517,621	\$ -
-	-	168,113	168,113	-
-	157,284	-	632,186	-
-	42,925	4,315,898	6,249,129	23,642,715
-	-	2,426	1,067,821	-
-	2,629	572	383,829	15,275
-	-	922	922	-
<u>414,799</u>	<u>291,867</u>	<u>4,487,931</u>	<u>10,019,621</u>	<u>23,657,990</u>
-	139,456	184,996	1,708,331	37,795
-	-	-	-	2,581,162
-	16,425	89,561	105,986	-
-	133,683	6,385,913	17,126,913	69,827
-	109,710	400,490	3,556,487	772,388
-	11,179	-	11,179	-
-	5,073	781,611	3,944,600	-
-	1,004	168	1,172	-
-	5,587	-	314,896	24,651,988
-	-	-	-	(48,278)
-	-	-	755,598	-
79,132	214,602	426,825	2,127,228	1,580,604
201,644	409,107	156,562	4,004,320	1,688,589
<u>280,776</u>	<u>1,045,826</u>	<u>8,426,126</u>	<u>33,656,710</u>	<u>31,334,075</u>
<u>134,023</u>	<u>(753,959)</u>	<u>(3,938,195)</u>	<u>(23,637,089)</u>	<u>(7,676,085)</u>
-	-	-	10,378,005	-
229	-	-	229	-
-	-	-	(21,646)	(39,468)
-	-	(14,743)	42,905	25,936
-	-	-	2,202,500	-
-	-	-	226,800	-
-	-	-	(440,001)	-
-	-	-	-	114,042
-	-	-	-	430,295
<u>229</u>	<u>-</u>	<u>(14,743)</u>	<u>12,388,792</u>	<u>530,805</u>
<u>134,252</u>	<u>(753,959)</u>	<u>(3,952,938)</u>	<u>(11,248,297)</u>	<u>(7,145,280)</u>
-	-	-	4,142,259	-
-	-	4,987,566	13,784,879	8,651,440
-	(1,864,816)	-	(9,578,292)	-
<u>134,252</u>	<u>(2,618,775)</u>	<u>1,034,628</u>	<u>(2,899,451)</u>	<u>1,506,160</u>
<u>4,095,038</u>	<u>20,067,142</u>	<u>3,308,278</u>	<u>109,012,920</u>	<u>3,483,841</u>
<u>\$ 4,229,290</u>	<u>\$ 17,448,367</u>	<u>\$ 4,342,906</u>	<u>\$ 106,113,469</u>	<u>\$ 4,990,001</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
Cash flows from operating activities			
Cash received from:			
User charges	\$ 767,967	\$ 186,701	\$ 990,220
Sales revenue	-	-	-
Internal billings	-	-	-
Customers and users	-	-	-
Employee contributions	-	-	-
Facility rent	361,720	649,775	-
Parking fees	334,347	140,555	-
Concessions	212,160	853,235	-
Miscellaneous	251,806	113,481	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,664,046)	(5,028,542)	(3,020,095)
Cash payments for internal services	(321,829)	(511,113)	-
Cash payments to employees for services	(1,087,789)	(1,550,772)	(7,012,108)
Net cash provided (used) by operating activities	<u>(1,145,664)</u>	<u>(5,146,680)</u>	<u>(9,041,983)</u>
Cash flows from non-capital financing activities			
Taxes	-	10,286,305	-
Non-capital grants and contributions	-	-	597,212
Transfers out to other governmental entity	-	-	(440,001)
Transfers in from other funds	1,102,228	-	7,541,756
Transfers out to other funds	-	(4,631,066)	(2,571,400)
Retiree drug subsidy	-	-	-
Net cash provided by non-capital financing activities	<u>1,102,228</u>	<u>5,655,239</u>	<u>5,127,567</u>
Cash flows from capital and related financing activities			
Principal Payments	-	-	-
Interest payments	-	-	(22,250)
Capital-related transfers in from other funds	-	-	-
Acquisition of capital assets	-	(2,110,443)	(779,311)
Proceeds from sale of capital assets	-	-	74,346
Reimbursement for damaged vehicles	-	-	-
Payments on capital leases	-	-	(170,224)
Capital grants and contributions	-	-	4,827,105
Net cash used by capital and related financing activities	<u>-</u>	<u>(2,110,443)</u>	<u>3,929,666</u>
Cash flows from investing activities			
Investment income received	-	-	-
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(43,436)	(1,601,884)	15,250
Pooled cash and investments - beginning of the year, restated	460,462	7,842,457	149,216
Pooled cash and investments - end of the year	<u>\$ 417,026</u>	<u>\$ 6,240,573</u>	<u>\$ 164,466</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ 248,311	\$ 4,051,378	\$ 6,244,577	\$ -
-	-	165,113	165,113	-
-	-	-	-	18,168,243
-	-	-	-	1,111,195
-	-	-	-	4,362,034
312,758	97,279	3,000	1,424,532	-
-	157,284	-	632,186	-
-	-	2,426	1,067,821	-
-	2,629	4,513	372,429	12,727
-	-	-	-	(24,579,476)
(40,631)	(565,977)	(1,766,526)	(12,085,817)	(4,364,775)
-	-	(521,212)	(1,354,154)	-
-	(142,723)	(5,995,458)	(15,788,850)	(69,748)
<u>272,127</u>	<u>(203,197)</u>	<u>(4,056,766)</u>	<u>(19,322,163)</u>	<u>(5,359,800)</u>
-	-	-	10,286,305	-
-	-	-	597,212	-
-	-	-	(440,001)	-
-	-	4,049,488	12,693,472	8,651,440
(45,380)	(1,864,816)	-	(9,112,662)	(2,703,909)
-	-	-	-	430,295
<u>(45,380)</u>	<u>(1,864,816)</u>	<u>4,049,488</u>	<u>14,024,326</u>	<u>6,377,826</u>
-	-	-	-	(397,273)
-	-	-	(22,250)	(39,468)
-	-	45,380	45,380	-
-	-	(45,380)	(2,935,134)	(1,335,742)
-	-	19,173	93,519	139,610
-	-	-	-	114,042
-	-	-	(170,224)	-
-	-	-	4,827,105	-
<u>-</u>	<u>-</u>	<u>19,173</u>	<u>1,838,396</u>	<u>(1,518,831)</u>
229	-	-	229	-
229	-	-	229	-
226,976	(2,068,013)	11,895	(3,459,212)	(500,805)
953,831	2,075,722	634,472	12,116,160	3,821,908
<u>\$ 1,180,807</u>	<u>\$ 7,709</u>	<u>\$ 646,367</u>	<u>\$ 8,656,948</u>	<u>\$ 3,321,103</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, 2012**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,585,177)	\$ (6,513,209)	\$ (10,980,572)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	406,676	1,258,590	1,571,741
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	(45,059)	32,619	5,575
Materials and supplies	16,193	6,159	(14,656)
Prepaid expenses	1,461	208	(96,860)
Increase (decrease) in:			
Accounts payable	53,877	55,277	177,994
Accrued liabilities	-	-	-
Payroll payable	(28,319)	4,552	16,253
Retainage payable	-	-	11,034
Pension liability	-	-	267,508
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Advance collections	34,684	9,124	-
Total adjustments	<u>439,513</u>	<u>1,366,529</u>	<u>1,938,589</u>
Net cash provided (used) by operating activities	<u>\$ (1,145,664)</u>	<u>\$ (5,146,680)</u>	<u>\$ (9,041,983)</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 134,023	\$ (753,959)	\$ (3,938,195)	\$ (23,637,089)	\$ (7,676,085)
201,644	409,107	156,563	4,004,321	1,688,589
-	205,386	(264,520)	(65,999)	(1,242)
-	-	(26,349)	(18,653)	-
-	19,843	-	(75,348)	-
38,501	(82,784)	(9,555)	233,310	246,837
-	-	-	-	79
-	(9,040)	23,790	7,236	-
-	-	-	11,034	-
-	-	-	267,508	-
-	-	-	-	(48,278)
-	-	-	-	430,300
(102,041)	8,250	1,500	(48,483)	-
<u>138,104</u>	<u>550,762</u>	<u>(118,571)</u>	<u>4,314,926</u>	<u>2,316,285</u>
<u>\$ 272,127</u>	<u>\$ (203,197)</u>	<u>\$ (4,056,766)</u>	<u>\$ (19,322,163)</u>	<u>\$ (5,359,800)</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, 2012**

	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Total</u>
ASSETS			
Cash, equity in pooled cash and investments	\$ 4,205,251	\$ 236,531	\$ 4,441,782
Receivables:			
Accounts, notes and other - net	121,200	162,738	283,938
Depreciable capital assets, net	<u>391,576</u>	<u>183,020</u>	<u>574,596</u>
Total assets	<u>\$ 4,718,027</u>	<u>\$ 582,289</u>	<u>\$ 5,300,316</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 429,157	\$ 128,562	\$ 557,719
Due within one year:			
Compensated absences	36,871	-	36,871
Due after one year:			
Compensated absences	<u>364,119</u>	<u>-</u>	<u>364,119</u>
Total liabilities	<u>830,147</u>	<u>128,562</u>	<u>958,709</u>
NET ASSETS			
Invested in capital assets, net of related debt	391,576	183,020	574,596
Unrestricted	<u>3,496,304</u>	<u>270,707</u>	<u>3,767,011</u>
Total net assets	<u>3,887,880</u>	<u>453,727</u>	<u>4,341,607</u>
Total liabilities and net assets	<u>\$ 4,718,027</u>	<u>\$ 582,289</u>	<u>\$ 5,300,316</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
COMPONENTS UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 9,214,316	\$ 714,688	\$ 221,322	\$ 3,426
Total Mobile Public Library	<u>9,214,316</u>	<u>714,688</u>	<u>221,322</u>	<u>3,426</u>
Public Park and Recreation Board				
Culture and recreation	881,566	1,111,000	-	-
Total Public Park and Recreation Board	<u>881,566</u>	<u>1,111,000</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 10,095,882</u>	<u>\$ 1,825,688</u>	<u>\$ 221,322</u>	<u>\$ 3,426</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, restated
 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
\$ (8,274,880)		\$ (8,274,880)
<u>(8,274,880)</u>		<u>(8,274,880)</u>
	\$ 229,434	229,434
	<u>229,434</u>	<u>229,434</u>
		<u>(8,045,446)</u>
6,570,840	-	6,570,840
1,238,342	-	1,238,342
171,000	-	171,000
362,426	-	362,426
<u>94,125</u>	<u>(3,854)</u>	<u>90,271</u>
<u>8,436,733</u>	<u>(3,854)</u>	<u>8,432,879</u>
161,853	225,580	387,433
<u>3,726,027</u>	<u>228,147</u>	<u>3,954,174</u>
<u>\$ 3,887,880</u>	<u>\$ 453,727</u>	<u>\$ 4,341,607</u>

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012

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, 2012

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 debt outstanding on the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable).
- 2011 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2011.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 a portion of the 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.
- 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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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" (See Note 6). 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 \$5,000 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, 2012**

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, 2012

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

On December 13, 2011, The City Council of the City of Mobile adopted Resolution 60-609 to establish a Fund Balance Policy consistent with the Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned Fund Balance - Amounts constrained by City Council or the Executive Director of Finance 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. 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.

Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2012:

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

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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 65, Items Previously Reported as Assets and Liabilities. Issued March 2012, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City is currently evaluating the impact, if any, that GASB 65 will have on its financial statements.

GASB Statement No. 66, Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62. Issued March 2012, the objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City is currently evaluating the impact, if any, that GASB 66 will have on its financial statement.

GASB Statement No. 67, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25. Issued June 2012, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement is effective for financial statements for fiscal years beginning after June 15, 2013. The City is currently evaluating the impact, if any, that GASB 67 will have on its financial statements.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB No. 27. Issued June 2012, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement is effective for fiscal years beginning after June 15, 2014. The City is currently evaluating the impact, if any, that GASB 68 will have on its financial statements.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

Issued January 2013, this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement is effective for fiscal years beginning after December 15, 2013. The City is currently evaluating the impact, if any, that GASB 69 will have on its financial statements..

The City of Mobile will implement the new GASB pronouncements 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.

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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)

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

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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)

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 \$650,000 to the Mobile Board of Health during the fiscal year ended September 30, 2012. 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 \$468,949 to Mobile Emergency Management during the fiscal year ended September 30, 2012. 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.
- **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 \$1,197,782 to the Mobile Personnel Board during the fiscal year ended September 30, 2012. 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, 2012 the City contributed \$2,788,775 to the Juvenile Court and Youth Center. The total annual operating budget for the Strickland Youth Center is approximately 6.6 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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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, 2012. At year-end, the carrying amount of the City's deposits was \$93,330,493 and the bank balance was \$96,943,138. Included in the bank balances are certificates of deposit totaling \$7,474,981. Of the total bank balance, \$3,141,369 was covered by Federal Depository Insurance and \$93,343,962 was covered under the SAFE program.

Investments

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances and commercial paper. In each case, all funds must be fully insured or collateralized by the pledge of securities. Securities allowed as collateral include U.S. Government Treasury and Agency securities, State of Alabama Obligations and City of Mobile Obligations. As of September 30, 2012, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 15,331,673	0.0027
Sweep accounts	12,906,040	0.0027
Certificates of deposit	7,474,981	0.0822
	<u>\$ 35,712,694</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, 2012, the City's investments in money market accounts are under the SAFE program. The investment policy also requires diversification of the City's investment portfolio by security type and institution. With the exception of U.S. Treasury Securities, the City will allow no more than 65% of its investment portfolio to be invested in single security types.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

Custodial Credit Risk

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

Interest Rate Risk

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

NOTE 4 - RECEIVABLES

Receivables at September 30, 2012 consist of the following:

	Governmental Activities	Business-type Activities	Total Primary Government
Receivables			
Taxes	\$ 13,548,617	\$ 865,503	\$14,414,120
Customers and other	4,220,621	9,702,445	13,923,066
Other governmental units	8,171,353	-	8,171,353
Gross receivables	25,940,591	10,567,948	36,508,539
Allowance for uncollectables	(24,230)	(5,136,843)	(5,161,073)
Net receivables	\$ 25,916,361	\$ 5,431,105	\$31,347,466

Substantially all receivables are due in fiscal year 2013, except General Fund assessments receivable for lot cleaning and building demolitions of \$2,943,375, a long-term note receivable from the Ft. Conde Ventures for \$865,000 and Capital Projects Funds assessments receivable for public improvements of \$135,173.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 313,228	\$ 648,000
Other Governmental Funds	3,498,264	-
Internal Service Funds	-	8,651,440
Mobile Civic Center	-	1,102,228
WAVE Transit	3,082,410	7,195,086
Other Enterprise Funds	-	3,964,138
Total General Fund	<u>6,893,902</u>	<u>21,560,892</u>
Capital Improvements Fund		
General Fund	648,000	313,228
Other Governmental Funds	450,000	9,724,617
WAVE Transit	-	500,000
Total Capital Improvements Fund	<u>1,098,000</u>	<u>10,537,845</u>
Other Governmental Funds		
General Fund	-	3,498,264
Capital Improvements Fund	9,724,617	450,000
Other Governmental Funds	6,244,173	6,244,173
Mobile Convention Center	4,631,066	-
Alabama Cruise Terminal	1,864,816	-
Other Enterprise Funds	-	1,023,428
Total Other Governmental Funds	<u>22,464,672</u>	<u>11,215,865</u>
Internal Service Funds		
General Fund	<u>8,651,440</u>	<u>-</u>
Total Internal Service Funds	<u>8,651,440</u>	<u>-</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	<u>1,102,228</u>	<u>-</u>
Total Mobile Civic Center	<u>1,102,228</u>	<u>-</u>
Mobile Convention Center		
Other Governmental Funds	<u>-</u>	<u>4,631,066</u>
Total Mobile Convention Center	<u>-</u>	<u>4,631,066</u>
WAVE Transit		
General Fund	7,195,086	3,082,410
Capital Improvements Fund	<u>500,000</u>	<u>-</u>
Total WAVE Transit	<u>7,695,086</u>	<u>3,082,410</u>
Alabama Cruise Terminal		
Other Governmental Funds	<u>-</u>	<u>1,864,816</u>
Total Alabama Cruise Terminal	<u>-</u>	<u>1,864,816</u>
Other Enterprise Funds		
General Fund	3,964,138	-
Other Governmental Funds	<u>1,023,428</u>	<u>-</u>
Total Other Enterprise Funds	<u>4,987,566</u>	<u>-</u>
	<u>\$ 52,892,894</u>	<u>\$ 52,892,894</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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, 2012, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Governmental Funds		
General Fund		
WAVE Transit	\$ 343,315	\$ 1,801,788
Other Enterprise Funds	-	707,748
Internal Service Funds	-	1,308,267
Total General Fund	<u>343,315</u>	<u>3,817,803</u>
Capital Improvements Fund		
Municipal Parking Garage	350,000	-
Other Governmental Funds	-	300,000
Other Enterprise Funds	-	360,000
Total Capital Improvements Fund	<u>350,000</u>	<u>660,000</u>
Other Governmental Funds		
Capital Improvements Fund	300,000	-
Total Other Governmental Funds	<u>300,000</u>	<u>-</u>
Internal Service Funds		
General Fund	1,308,267	-
Total Internal Service Funds	<u>1,308,267</u>	<u>-</u>
Major Enterprise Funds		
WAVE Transit		
General Fund	1,801,788	343,315
Total WAVE Transit	<u>1,801,788</u>	<u>343,315</u>
Municipal Parking Garage		
Capital Improvements Fund	-	350,000
Cruise Terminal	-	430,000
Other Enterprise Funds	-	45,380
Total Municipal Parking Garage	<u>-</u>	<u>825,380</u>
Cruise Terminal		
Municipal Parking Garage	430,000	-
Total Cruise Terminal	<u>430,000</u>	<u>-</u>
Other Enterprise Funds		
General Fund	707,748	-
Municipal Parking Garage	45,380	-
Capital Improvements Fund	360,000	-
Total Other Enterprise Funds	<u>1,113,128</u>	<u>-</u>
	<u>\$ 5,646,498</u>	<u>\$ 5,646,498</u>

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 Parking Garage from the Cruise Terminal Fund, \$300,000 due to the Capital Improvements Fund from the Strategic Plan Fund, \$360,000 due to Capital Improvements Fund from Azalea City Golf Course, and \$45,380 due to the Municipal Parking Garage from the Azalea City Golf Course.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 7 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2012:

	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, 10/1/11	\$ 25,516,025	\$ 44,266,092	\$ 38,590,292	\$ 2,579,100	\$ 62,075,378	\$ 111,147,558	\$ 56,939,510	\$ 43,640,165	\$ 466,563,745	\$ 851,317,865
Additions	1,828,357	20,684,892	4,954,184	699,953	9,924,555	4,302,723	3,220,757	817,656	26,950,431	73,383,508
Deductions	-	(13,632,578)	(26,848,431)	-	-	-	(1,818,514)	(108,702)	-	(42,408,225)
Balance, 9/30/12	<u>27,344,382</u>	<u>51,318,406</u>	<u>16,696,045</u>	<u>3,279,053</u>	<u>71,999,933</u>	<u>115,450,281</u>	<u>58,341,753</u>	<u>44,349,119</u>	<u>493,514,176</u>	<u>882,293,148</u>
Accumulated Depreciation										
Balance, 10/1/11	-	-	-	-	27,104,491	35,683,561	39,603,910	33,182,189	93,788,737	229,362,888
Additions	-	-	-	-	1,070,854	4,574,052	2,724,741	1,655,289	10,899,526	20,924,462
Deductions	-	-	-	-	-	-	(1,636,736)	(12,752)	-	(1,649,488)
Balance, 9/30/12	-	-	-	-	<u>28,175,345</u>	<u>40,257,613</u>	<u>40,691,915</u>	<u>34,824,726</u>	<u>104,688,263</u>	<u>248,637,862</u>
Capital Assets, Net	<u>\$ 27,344,382</u>	<u>\$ 51,318,406</u>	<u>\$ 16,696,045</u>	<u>\$ 3,279,053</u>	<u>\$ 43,824,588</u>	<u>\$ 75,192,668</u>	<u>\$ 17,649,838</u>	<u>\$ 9,524,393</u>	<u>\$ 388,825,913</u>	<u>\$ 633,655,286</u>

Construction in progress consists of the following:

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Waterfront Development	\$ 28,752,011	\$ 15,720,663	\$ -	\$ 44,472,674
Fort Conde Welcome Center - Roof	137,029	122,972	-	260,001
New Public Safety Facility	6,636,014	69,442	(6,705,456)	-
Fire-Miscellaneous Fire Station Improvement	1,550,322	3,887	(1,554,209)	-
Kidd Park Improvements	15,928	-	-	15,928
Purchase & Renovate 200 Government St. Building	825,044	223,790	(1,048,834)	-
Police-Renovate 850 St. Anthony Bldg	72,333	16,190	-	88,523
Bienville Park Restrooms	-	78,695	-	78,695
Theodore Area Park	69,115	29,516	-	98,631
New Theodore Fire Station	128,645	2,495,754	(2,624,399)	-
Metro 800 MHZ Emergency Radios	5,926,369	-	-	5,926,369
Parks - Mardi Gras Park	1,327	-	-	1,327
Parks - Annexed Areas	3,850	372,408	-	376,258
Ballfield Lighting - Various Parks	-	123,524	(123,524)	-
Fueling Station - Motor Pool	-	36,000	(36,000)	-
Taylor Park Pool	148,105	241,912	(390,017)	-
Baumhauer-Randle Park Improvements	-	156,674	(156,674)	-
Theodore Park Playground Equip.	-	69,500	(69,500)	-
Baumhauer Park Playground Equip.	-	58,300	(58,300)	-
Denton Park Playground Equip.	-	75,575	(75,575)	-
Kidd Park Playground Equip.	-	38,500	(38,500)	-
Bailey Park Playground Equip.	-	40,600	(40,600)	-
Hillsdale Park Playground Equip.	-	35,000	(35,000)	-
Herndon Park Walking Trail	-	212,320	(212,320)	-
ADA Pool Upgrades	-	145,319	(145,319)	-
Theodore Park Improvements	-	263,318	(263,318)	-
Harmon Park Recreation Center Impr.	-	55,033	(55,033)	-
Total	<u>\$ 44,266,092</u>	<u>\$ 20,684,892</u>	<u>\$ (13,632,578)</u>	<u>\$ 51,318,406</u>

As of September 30, 2012, commitments to contractors on capital projects totaled approximately \$13.6 million. Budgeted costs to complete projects in progress totaled approximately \$26.1 million.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 7 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 16,013,329
Economic development	2,623
Public safety	1,998,789
Public works	841,383
Culture and recreation	2,066,485
Finance	1,853
Total depreciation expense	<u>\$ 20,924,462</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2012:

	<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, 10/1/11	\$ 10,543,923	\$ 362,431	\$ 126,240,231	\$ 12,734,167	\$ 14,407,887	\$ 6,708,718	\$ 170,997,357
Additions	71,832	2,226,407	45,965	-	598,170	108,723	3,051,097
Deductions	-	-	(44,000)	-	(1,208,252)	(156,826)	(1,409,078)
Balance, 9/30/12	<u>10,615,755</u>	<u>2,588,838</u>	<u>126,242,196</u>	<u>12,734,167</u>	<u>13,797,805</u>	<u>6,660,615</u>	<u>172,639,376</u>
<i>Accumulated Depreciation</i>							
Balance, 10/1/11	-	-	48,107,303	6,456,964	8,023,900	5,125,053	67,713,220
Additions	-	-	2,359,889	349,573	1,007,575	287,284	4,004,321
Deductions	-	-	(12,292)	-	(1,208,252)	(137,922)	(1,358,466)
Balance, 9/30/12	<u>-</u>	<u>-</u>	<u>50,454,900</u>	<u>6,806,537</u>	<u>7,823,223</u>	<u>5,274,415</u>	<u>70,359,075</u>
Capital Assets, Net	<u>\$ 10,615,755</u>	<u>\$ 2,588,838</u>	<u>\$ 75,787,296</u>	<u>\$ 5,927,630</u>	<u>\$ 5,974,582</u>	<u>\$ 1,386,200</u>	<u>\$ 102,280,301</u>

Approximately \$6.2 million (cost of \$12.0 million and accumulated depreciation of \$5.8 million) of the Municipal Parking Garage property is leased to others as of September 30, 2012. (See Note 12)

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

Civic center	\$ 406,676
Convention center	1,258,590
Cruise Terminal	409,107
WAVE Transit	1,571,741
Parking garage	201,644
Golf course	144,212
Firemedics	5,770
Tennis center	3,887
Affordable homes program	2,694
Total depreciation expense	<u>\$ 4,004,321</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 8 - LONG-TERM DEBT

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2012:

\$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	\$ 7,570,000
\$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	50,885,000
\$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	1,420,000
\$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	66,135,000
\$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	21,380,000
\$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	55,910,000
\$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	1,051,879
\$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>\$ 298,261,879</u>
\$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%	\$ 865,000
\$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%	595,000
\$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%	690,000
\$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%	2,020,000
Total notes payable	<u>\$ 4,170,000</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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
2013		\$ 10,272,698	\$ 13,963,027	\$ 24,235,725
2014		10,105,126	13,537,769	23,642,895
2015		12,389,055	13,060,984	25,450,039
2016		12,710,000	12,529,954	25,239,954
2017		14,465,000	11,946,336	26,411,336
2018-2022		76,230,000	49,352,732	125,582,732
2023-2027		95,125,000	29,007,783	124,132,783
2028-2030		66,965,000	5,322,093	72,287,093
Subtotals		298,261,879	148,720,678	446,982,557
Plus: Bond Premium		3,873,194	(3,873,194)	-
Less: Deferred Bond Discount		(292,867)	292,867	-
Less: Deferred amount on refunding		(6,693,097)	6,693,097	-
Totals		<u>\$ 295,149,109</u>	<u>\$ 151,833,448</u>	<u>\$ 446,982,557</u>
Notes Payable				
2013		\$ 385,000	\$ 406,137	\$ 791,137
2014		405,000	384,179	789,179
2015		430,000	196,876	626,876
2016		455,000	171,780	626,780
2017		485,000	144,626	629,626
2018-2022		1,435,000	400,055	1,835,055
2023-2025		575,000	66,571	641,571
Totals		<u>\$ 4,170,000</u>	<u>\$ 1,770,224</u>	<u>\$ 5,940,224</u>

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

Fiscal Year Ending September 30	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total Minimum Future Lease Payments
2013	\$ 894,088	\$ 122,893	\$ 1,016,981
2014	922,079	94,903	1,016,982
2015	950,961	66,020	1,016,981
2016	980,764	36,217	1,016,981
2017	492,519	9,977	502,496
Totals	<u>\$ 4,240,411</u>	<u>\$ 330,010</u>	<u>\$ 4,570,421</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 8 - LONG-TERM DEBT (continued)

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

<u>Fiscal Year Ending September 30</u>	<u>Present Value of Net Minimum Lease Payments</u>	<u>Amount Representing Interest</u>	<u>Total Minimum Future Lease Payments</u>
2013	\$ 177,339	\$ 15,135	\$ 192,474
2014	184,751	7,723	192,474
Totals	<u>\$ 362,090</u>	<u>\$ 22,858</u>	<u>\$ 384,948</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:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vehicles	\$ 5,481,284	\$ 1,527,798
Equipment	191,972	-
Other	84,908	-
	<u>5,758,164</u>	<u>1,527,798</u>
Less: Accumulated amortization	1,633,720	1,222,238
	<u>\$ 4,124,444</u>	<u>\$ 305,560</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
<u>Governmental Activities</u>					
General and limited obligation bonds/warrants	\$ 306,360,944	\$ -	\$ 8,099,065	\$ 298,261,879	\$ 10,272,698
Plus: Bond premium	4,182,495	-	309,301	3,873,194	-
Less: Bond discount	(312,173)	-	(19,306)	(292,867)	-
Less: Deferred amount on refunding	(7,612,344)	-	(919,247)	(6,693,097)	-
Total general and limited obligation bonds/warrants	302,618,922	-	7,469,813	295,149,109	10,272,698
Notes payable	4,730,000	-	560,000	4,170,000	385,000
Obligations under capital leases	5,287,793	-	1,047,382	4,240,411	894,088
Compensated absences	14,197,671	919,023	1,080,080	14,036,614	1,080,080
Self-insured legal liability	815,000	1,756,273	1,325,973	1,245,300	-
Insurance claims	10,119,723	28,776,701	27,166,784	11,729,640	4,347,952
Landfill postclosure liability	893,701	-	40,992	852,709	42,632
OPEB liability	103,245,000	26,778,000	-	130,023,000	-
Total governmental activities	441,907,810	58,229,997	38,691,024	461,446,783	17,022,450
<u>Business-type Activities</u>					
Obligations under capital leases	532,314	-	170,224	362,090	177,339
Compensated absences	409,855	525,335	499,805	435,385	92,629
Total business-type activities	942,169	525,335	670,029	797,475	269,968
Total primary government	\$ 442,849,979	\$ 58,755,332	\$ 39,361,053	\$ 462,244,258	\$ 17,292,418

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, 2012, the permissible debt limit exceeded actual debt by approximately \$218.4 million.

On October 1, 2010, the City of Mobile assumed the administration of approximately \$4 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 are now 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, 2012 totaled \$3,305,000.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 9 - DEFEASANCE OF PRIOR DEBT

The City had no defeased debt at September 30, 2012.

NOTE 10 - 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)	\$ 3,886,077
Police and Firefighters Retirement Plan (PFFRP)	17,508,284
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>16,442</u>
Total	<u><u>\$ 21,410,803</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 69 -70.

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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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 2012 were based on 8.92% of salaries. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the "entry age normal" method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Total contributions to the pension plan in fiscal 2012 amounted to \$6,065,299 of which \$3,886,077 and \$2,179,222 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, 2011.

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	9/30/11
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*	3.75 - 7.25%
*Includes inflation at	3.00%
Cost-of-living adjustments	None

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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, 2009	\$ 4,428,407	100%	-
September 30, 2010	\$ 4,242,201	100%	-
September 30, 2011	\$ 4,616,105	100%	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age ¹	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a % of Covered Payroll (c)/(e)
9/30/2006 ²	\$ 127,390,730	\$ 148,706,041	\$ 21,315,311	85.7 %	\$ 41,421,892	51.5 %
9/30/2007	\$ 134,013,310	\$ 155,672,218	\$ 21,658,908	86.1 %	\$ 42,240,873	51.3 %
9/30/2008	\$ 135,296,628	\$ 163,728,994	\$ 28,432,366	82.6 %	\$ 44,651,914	63.7 %
9/30/2009	\$ 135,094,757	\$ 172,880,100	\$ 37,785,343	78.1 %	\$ 50,662,843	74.6 %
9/30/2010 ³	\$ 131,909,321	\$ 179,327,291	\$ 47,417,970	73.6 %	\$ 47,539,003	99.7 %
9/30/2010 ^{3,4}	\$ 131,909,321	\$ 179,726,850	\$ 47,817,529	73.4 %	\$ 47,539,003	100.6 %
9/30/2011 ⁵	\$ 127,816,011	\$ 183,596,993	\$ 55,780,982	69.6 %	\$ 47,964,720	116.3 %
9/30/2011 ^{4,5}	\$ 127,816,011	\$ 183,948,789	\$ 56,132,778	69.5 %	\$ 47,964,720	117.0 %

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

²Reflects changes in actuarial assumptions.

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

⁴Reflects the impact of 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.

⁵Reflects changes in actuarial assumptions.

*Market Value of Assets as of September 30, 2011: \$108,730,247

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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.

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 by 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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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.

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 %	\$ 2,930,636
Fire insurance premiums	2.50 %	965,069
Municipal court fines	0.30 %	115,808
City of Mobile	<u>42.75 %</u>	<u>16,503,354</u>
	<u>53.14 %</u>	<u>\$20,514,867</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - 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, 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 %
September 30, 2011	\$ 13,972,923	99 %	\$ 14,145,203	98 %
September 30, 2012	\$ 17,584,231	100 %	\$ 17,755,853	99 %

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
10/1/2006	\$ 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 %
10/1/2011	\$103,134,597	\$ 231,927,460	\$ 128,792,863	44.5 %	\$36,829,749	349.7 %

Additional Information:

Valuation Date: October 1, 2011

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%

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Development of the Net Pension Obligation (Asset):

Net Pension Obligation (Asset) as of October 1, 2010	\$ (76,649,824)
Annual Pension Cost for the 2010/11 Plan Year	14,145,203
Employer Contributions for the 2010/11 Plan Year	<u>(13,852,639)</u>
Net Increase (Decrease) in NPO	292,564
Net Pension Obligation (Asset) as of October 1, 2011	<u>\$ (76,357,260)</u>

Development of the Annual Required Contribution (ARC):

Normal Cost	\$ 4,887,447
Expense Allowance	92,074
Expected Employee Contribution	(2,930,636)
Amortization of the UAAL	21,815,549
Amortization of the Net Pension Obligation (Asset)	(6,280,203)
Interest Adjustment	-
Annual Required Contribution (ARC)	<u>\$ 17,584,231</u>

Development of the Annual Pension Cost (APC):

Annual Required Contribution (ARC)	17,584,231
Interest on the Net Pension Obligation (Asset)	(6,108,581)
Adjustment to the ARC	<u>6,280,203</u>
Annual Pension Cost (APC)	<u>\$ 17,755,853</u>

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

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

At September 30, 2012, 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, 2012, 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, 2012 were \$16,442.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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 1-65 Service Road South, Mobile, AL 36609.

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).

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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.

Trend information for the Annual Required Contribution of the Plan for the current and five 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, 2007	\$ 422,965	100 %	-
June 30, 2008	\$ 541,179	100 %	-
June 30, 2009	\$ 745,342	100 %	-
June 30, 2010	\$ 695,577	100 %	-
June 30, 2011	\$ 861,901	100 %	-
June 30, 2012	\$ 1,274,751	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)
7/1/2006	\$ 2,051,366	\$ 3,716,181	\$ 1,664,815	55.20 %	\$ 2,766,040	60.19 %
7/1/2007	\$ 2,645,002	\$ 3,747,562	\$ 1,102,560	70.58 %	\$ 2,733,052	40.34 %
7/1/2008	\$ 2,793,191	\$ 4,537,095	\$ 1,743,904	61.56 %	\$ 3,280,678	53.16 %
7/1/2009	\$ 3,231,272	\$ 5,037,031	\$ 1,805,759	64.15 %	\$ 3,468,543	52.06 %
7/1/2010	\$ 4,212,251	\$ 5,465,587	\$ 1,253,336	77.07 %	\$ 3,452,194	36.31 %
7/1/2011	\$ 5,717,186	\$ 8,853,671	\$ 3,136,485	64.57 %	\$ 3,681,811	85.19 %

Additional information:

Valuation Date: July 1, 2011

Actuarial Cost Method: Unprojected Unit Credit

Amortization Method: Level percentage, closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value

Discount Rate: 4.32%

Salary Increase Rate: 4.00%

Inflation: 3.00%

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - 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 2012, those costs totaled approximately \$5,573,753 and the liability for incurred and not paid claims totaled \$2,169,800.

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 2012, 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 \$373 per month for single coverage and \$761 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, 2012**

NOTE 10 - 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, 2012
Annual OPEB Cost	\$ 34,174,000
Employer Contributions	(7,252,000)
Interest on Employer Contributions	(144,000)
Increase in the Net OPEB Obligation	26,778,000
Net OPEB Obligation, beginning of year	103,245,000
Net OPEB Obligation, end of year	\$ 130,023,000

Development of the Annual OPEB Cost:

ARC	\$ 38,973,000
Interest on the Net OPEB Obligation	4,130,000
Adjustment to the ARC	(8,929,000)
Total Annual OPEB Cost	\$ 34,174,000

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, 2012, 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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

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.

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)

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Healthcare cost trend rate(s):	Medical	Dental
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

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 11 - RESTRICTED NET ASSETS

The following is a summary of the restricted net assets at September 30, 2012:

Activity	Restricted By	Amount
Police & Fire Pension	Enabling Legislation	\$ 76,109,691
Capital Projects	Enabling Legislation	3,127,631
Capital Projects	Legal Restriction	4,123,396
Debt Service	Legal Restriction	4,516,268
Economic Development	Enabling Legislation	7,306,015
Grant Programs	Grant Agreements	2,169,963
		\$ 97,352,964

NOTE 12 - 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, 2012**

NOTE 12 - 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 \$414,799 for fiscal year 2012 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

NOTE 13 - 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 \$1,341,634 for the year ended September 30, 2012.

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.

Future payments under this agreement are due as follows:

Fiscal Year Ending September 30	Amount Representing Principal	Amount Representing Interest	Total Future Commitments
2013	\$ 600,000	\$ 163,671	\$ 763,671
2014	600,000	163,671	763,671
Totals	<u>\$ 1,200,000</u>	<u>\$ 327,342</u>	<u>\$ 1,527,342</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)

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 \$1,245,300 and \$2,058,000. Consequently, the City has accrued at September 30, 2012, the lesser of the range equal to \$1,245,300. Loss contingencies categorized as "reasonably possible" range between \$491,000 and \$1,326,000.

Governmental Funds Encumbrances

Major Governmental Funds:

General Fund	\$ 875,537
Capital Improvements Fund	3,506,069
2008 G. O. Capital Improvements Projects	170,993
2009B G. O. Cap Proj BAB Taxable Wts	7,064
Governmental Funds - Non-Major	<u>439,809</u>
Total Governmental Funds Encumbrances	<u>\$ 4,999,472</u>

Encumbrances for the year ended September 30, 2012 are disclosed for each major fund and for all other governmental funds in the aggregate.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The claim liabilities are reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City is self-insured for claims and judgments, general liability, and general automobile liability. As more fully discussed in Note 13, the City has determined and recorded an estimate of \$1,245,300 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 14 - RISK MANAGEMENT (continued)

The City is also self-insured for workers' compensation claims up to \$500,000 per accident and for employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside parties for claims administration. The estimated liability for workers' compensation claims as of September 30, 2012 is \$9,660,453.

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, 2012 is \$2,069,187.

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				
2010-2011	\$ 420,000	\$ 1,768,111	\$ 1,373,111	\$ 815,000
2011-2012	\$ 815,000	\$ 1,756,273	\$ 1,325,973	\$ 1,245,300
Employee Health				
2010-2011	\$ 2,072,327	\$24,565,525	\$ 24,520,387	\$ 2,117,465
2011-2012	\$ 2,117,465	\$24,603,710	\$ 24,651,988	\$ 2,069,187
Workers' Compensation				
2010-2011	\$ 6,963,334	\$ 4,151,492	\$ 3,112,568	\$ 8,002,258
2011-2012	\$ 8,002,258	\$ 4,463,984	\$ 2,805,789	\$ 9,660,453

NOTE 15 - FUNDS DEFICITS OF NON-MAJOR FUNDS

Deficits in net assets/fund balance of non-major funds at September 30, 2012, are as follows:

Non-major Special Revenue Fund	
7-Cent Gasoline Tax	\$ 9,449
Internal Service Fund	
Employee Health Fund	\$ 3,880,352
Insurance Fund	\$ 57,566

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 16 - 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, 2012, 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 \$852,709 reported in the Statement of Net Assets as a landfill postclosure liability at September 30, 2012 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 17 - 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 16, 2012 with the terms and conditions requiring an annual renewal of the agreement.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 18 - FUND BALANCE

The components of fund balance for the City's governmental funds as of September 30, 2012 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
Nonspendable:									
Inventory	\$ 2,389,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,389,694
Long-term Receivables	865,000	-	-	-	-	-	-	-	865,000
Prepaid Items	10,000	-	-	-	-	-	-	-	10,000
Restricted for:									
Grants	2,169,963	-	-	-	-	-	-	-	2,169,963
Debt Service	-	-	-	-	-	-	4,516,268	-	4,516,268
Capital Projects	-	-	1,200,535	5,334,478	5,217,711	-	-	9,943,364	21,696,088
Road and Bridge Construction	-	-	-	-	-	264,644	-	-	264,644
Road and Bridge Repair	-	-	-	-	-	2,860,505	-	-	2,860,505
Law Enforcement	678,883	-	-	-	-	-	-	-	678,883
Committed for:									
Tax Increment Program	-	-	-	-	-	7,269,987	-	-	7,269,987
Flood Management	-	-	-	-	-	-	-	83,802	83,802
Strategic Plan Fund	-	-	-	-	-	-	-	81,402	81,402
Capital Improvements Fund	-	3,672,116	-	-	-	-	-	-	3,672,116
Assigned for:									
Economic Development	-	-	-	-	-	36,028	-	-	36,028
Designated and Donated Funds	918,911	-	-	-	-	-	-	-	918,911
General Fund Encumbrances	875,537	-	-	-	-	-	-	-	875,537
Athletic Fund	55,037	-	-	-	-	-	-	-	55,037
Municipal Court	505,817	-	-	-	-	-	-	-	505,817
Capital Improvements Fund	-	22,312,616	-	-	-	-	-	-	22,312,616
Strategic Plan Fund	-	-	-	-	-	-	-	6,422,154	6,422,154
Unassigned	11,371,036	-	-	-	-	-	-	-	11,371,036
Total Fund Balance	\$ 19,839,878	\$ 25,984,732	\$ 1,200,535	\$ 5,334,478	\$ 5,217,711	\$ 10,431,164	\$ 4,516,268	\$ 16,530,722	\$ 89,055,488

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 19 - PRIOR PERIOD ADJUSTMENTS

Police and Fire Pension

For the year ended September 30, 2012 a prior period adjustment was made to record the negative net pension obligation (NPO), an asset for the police and firefighters retirement plan. The City contributes contributions based on Section 7, Act No. 97-689 of the Alabama State Legislature. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded liability, where the amortization period varies between five and thirty years depending on the source of the change in the unfunded liability. The minimum required contribution is in excess of the annual required contribution and as a result of this the negative net pension obligation as of September 30, 2011 was \$76,649,824 and has been recorded as an asset in the government-wide statement of net assets.

Cruise Terminal

In the cruise terminal fund, it was determined that a receivable in the amount of \$495,981 was recorded in error at September 30, 2011. Also, when the cruise terminal was purchased by the City in 2008, the City should have consolidated the cruise terminal's activity into the cruise terminal fund. In order to correct this oversight an adjustment was made to record assets of \$909,492, liabilities of \$126,740 and the corresponding adjustment to beginning net assets was \$782,752. The net effect of the entire adjustment was an increase in beginning net assets of \$286,771.

Public Park and Recreation Board

During the current year, it was determined that certain prior year liabilities totaling \$66,464 were incorrectly recorded twice. To correct this error, the beginning fund balance of \$161,683, as originally reported, has been increased to \$228,147.

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, 2012

	Budgeted Amounts		Actual (Budgetary	Variance with Final Budget Positive/
	Original	Final	Basis)	(Negative)
Revenues				
Taxes	\$ 140,694,242	\$ 140,694,242	\$ 139,700,571	\$ (993,671)
Licenses and permits	33,158,000	33,158,000	33,685,291	527,291
Intergovernmental	197,000	197,000	443,642	246,642
Charges for Services	8,054,732	8,054,732	7,982,937	(71,795)
Fines and forfeitures	2,944,656	2,944,656	4,365,667	1,421,011
State and federal assistance	-	-	18,514,863	18,514,863
Interest	220,000	220,000	245,185	25,185
Miscellaneous (other)	150,000	150,000	913,504	763,504
Total revenues	185,418,630	185,418,630	205,851,660	20,433,030
Expenditures				
Departmental				
General government				
City Clerk	612,776	614,684	512,400	102,284
Mayor's office	729,383	710,113	592,840	117,273
Mayor's Office of Strategic Initiatives	102,747	124,580	117,387	7,193
City Council	452,696	454,134	428,888	25,246
CitiSmart	262,148	262,197	189,257	72,940
City Hall Overhead	4,054,592	4,063,695	4,385,541	(321,846)
Archives	322,556	325,342	256,106	69,236
Legal	1,376,520	1,381,013	1,312,592	68,421
Urban development	4,534,720	4,548,069	3,757,282	790,787
Administrative services	241,764	245,865	232,162	13,703
Human resources	389,993	397,942	344,798	53,144
Municipal info. system	2,957,599	3,119,144	3,103,664	15,480
Geographical info. system	768,727	772,283	703,929	68,354
Telecommunications	760,303	764,670	742,901	21,769
Total general government	17,566,524	17,783,731	16,679,747	1,103,984
Economic development				
Mobile film office	185,347	185,367	149,298	36,069
Historic development	371,242	377,422	311,951	65,471
Neighborhood and community services	547,525	552,820	332,096	220,724
Total economic development	1,104,114	1,115,609	793,345	322,264
Public safety				
Police	45,735,235	45,914,485	42,535,030	3,379,455
Fire	27,365,055	27,378,061	25,928,750	1,449,311
Municipal court	4,539,945	4,436,841	3,154,807	1,282,034
Mobile Metro Jail	7,625,000	7,625,000	7,616,511	8,489
Animal shelter	856,084	874,436	707,892	166,544
Total public safety	86,121,319	86,228,823	79,942,990	6,285,833

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, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive/ (Negative)
Departmental (Cont'd)				
Public works				
Public service administration	\$ 241,622	\$ 246,629	\$ 244,886	\$ 1,743
Flood control	1,546,089	1,600,867	1,298,064	302,803
Administration	1,186,188	1,185,447	838,442	347,005
Concrete and sidewalk repair	1,615,265	1,717,776	1,341,142	376,634
Right-of-way maintenance	925,366	941,939	628,420	313,519
Asphalt street repair	1,299,902	1,323,902	630,035	693,867
Street sweeping	661,200	672,603	373,359	299,244
Dredge	897,146	912,758	683,389	229,369
Storm drain & heavy equipment	1,411,547	1,424,529	1,029,466	395,063
Landfill	2,444,543	2,322,678	2,410,822	(88,144)
Solid waste	3,614,093	3,651,695	2,978,579	673,116
Trash	3,484,406	3,469,952	2,872,270	597,682
Electrical	2,062,937	2,084,236	1,911,381	172,855
Engineering	1,662,873	1,665,468	1,246,833	418,635
Real estate office	231,437	231,759	218,282	13,477
Real estate management	172,145	172,145	167,132	5,013
Keep Mobile Beautiful	335,085	336,482	325,061	11,421
Municipal garage	9,835,150	10,075,707	9,227,537	848,170
Architectural engineering	1,322,180	1,326,608	1,150,600	176,008
Environmental services	712,749	712,870	551,698	161,172
Public buildings	2,229,849	2,233,676	1,993,775	239,901
Mechanical systems	1,780,900	1,787,935	1,615,989	171,946
Traffic engineering	1,348,736	1,411,144	1,210,390	200,754
Total public works	<u>41,021,408</u>	<u>41,508,805</u>	<u>34,947,552</u>	<u>6,561,253</u>
Culture and recreation				
Parks and recreation director	154,354	154,426	115,594	38,832
Community activities	101,726	95,424	119,875	(24,451)
Mobile Museum of Art	2,063,144	2,086,634	1,767,200	319,434
History Museum	1,362,175	1,200,928	1,003,341	197,587
Parks maintenance	4,525,400	4,551,822	3,534,491	1,017,331
Recreation - athletics	854,634	857,806	731,885	125,921
Recreation	3,598,984	3,609,644	3,163,087	446,557
Special activities	845,380	849,686	577,231	272,455
Parks and cemeteries	2,169,991	2,170,777	1,972,944	197,833
Mobile Regional Senior Community Center	488,723	491,304	399,322	91,982
Total culture and recreation	<u>16,164,511</u>	<u>16,068,451</u>	<u>13,384,970</u>	<u>2,683,481</u>
Finance				
Finance administration	450,661	450,721	448,138	2,583
Budget	278,531	278,534	230,183	48,351
Purchasing	403,707	404,684	358,216	46,468
Accounting	823,727	840,744	666,201	174,543
Inventory control	468,310	467,994	390,295	77,699
Treasury	337,060	337,350	317,187	20,163
Payroll	226,812	227,187	210,773	16,414
Police and fire pension	195,842	195,842	206,983	(11,141)
Revenue	2,242,195	2,252,799	1,831,814	420,985
Total finance	<u>5,426,845</u>	<u>5,455,855</u>	<u>4,659,790</u>	<u>796,065</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, 2012

	Budgeted Amounts		Actual (Budgetary)	Variance with Final Budget Positive/
	Original	Final	Basis)	(Negative)
Attrition savings	\$ (14,038,654)	\$ (14,038,654)	\$ -	\$ (14,038,654)
Reserve for retirement	1,100,000	1,100,000	1,145,167	(45,167)
Total departmental expenditures	<u>154,466,067</u>	<u>155,222,620</u>	<u>151,553,561</u>	<u>3,669,059</u>
Nondepartmental				
Mandated activities				
Personnel Board	1,225,000	1,225,000	1,197,782	27,218
Board of Health	600,000	600,000	650,000	(50,000)
Juvenile court and youth center	2,720,000	2,720,000	2,788,775	(68,775)
Total mandated activities	<u>4,545,000</u>	<u>4,545,000</u>	<u>4,636,557</u>	<u>(91,557)</u>
Joint activities				
Board of equalization	7,152	7,152	7,143	9
Emergency management	432,876	432,876	468,949	(36,073)
Mobile legislative delegation	43,308	12,308	10,186	2,122
Total joint activities	<u>483,336</u>	<u>452,336</u>	<u>486,278</u>	<u>(33,942)</u>
Agencies				
Public Library	6,570,840	6,570,840	6,570,840	-
Total agencies	<u>6,570,840</u>	<u>6,570,840</u>	<u>6,570,840</u>	<u>-</u>
Employee cost				
Retired employees insurance	4,500,000	4,500,000	4,550,610	(50,610)
Employee education	120,000	120,000	83,042	36,958
Workmen's compensation	2,650,000	2,650,000	2,685,169	(35,169)
Unemployment compensation	125,000	125,000	-	125,000
Employees' pension	99,672	99,672	109,685	(10,013)
Police and firefighter's retirement	6,006,366	6,006,366	6,929,248	(922,882)
Total employee cost	<u>13,501,038</u>	<u>13,501,038</u>	<u>14,357,754</u>	<u>(856,716)</u>
Other				
Fire insurance	2,541,597	2,541,597	1,583,567	958,030
Contractual	4,513,577	4,513,577	4,465,165	48,412
South Alabama Regional Planning	-	-	9,317	(9,317)
Dues	439,826	439,826	415,858	23,968
Athletic fund	154,000	154,000	68,537	85,463
Police drug fund	-	45,593	193,345	(147,752)
State and federal projects	-	496,335	21,453,387	(20,957,052)
Interest payments	-	-	60,931	(60,931)
General miscellaneous	55,000	54,080	933,353	(879,273)
Total other	<u>7,704,000</u>	<u>8,245,008</u>	<u>29,183,460</u>	<u>(20,938,452)</u>
Total nondepartmental expenditures	<u>32,804,214</u>	<u>33,314,222</u>	<u>55,234,889</u>	<u>(21,920,667)</u>
Total expenditures	<u>187,270,281</u>	<u>188,536,842</u>	<u>206,788,450</u>	<u>(18,251,608)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,851,651)</u>	<u>(3,118,212)</u>	<u>(936,790)</u>	<u>2,181,422</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, 2012

	Budgeted Amounts		Actual (Budgetary	Variance with Final Budget Positive/ Negative)
	Original	Final	Basis)	(Negative)
Other financing sources (uses):				
Transfers in	\$ 3,476,272	\$ 3,490,127	\$ 6,893,902	\$ 3,403,775
Transfers out	(20,374,144)	(20,572,144)	(21,560,892)	(988,748)
Sales of general capital assets	2,400	2,400	13,123	10,723
Total other financing sources (uses)	<u>(16,895,472)</u>	<u>(17,079,617)</u>	<u>(14,653,867)</u>	<u>2,425,750</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(18,747,123)</u>	<u>(20,197,829)</u>	<u>(15,590,657)</u>	<u>\$ 4,607,172</u>
Fund balances				
Beginning of the year	<u>(5,866,752)</u>	<u>(23,099,698)</u>	<u>34,554,998</u>	
End of the year	<u>\$ (24,613,875)</u>	<u>\$ (43,297,527)</u>	<u>\$ 18,964,341</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			\$ (15,590,657)	
Encumbrances outstanding at September 30, 2012			875,537	
Encumbrances outstanding at September 30, 2011			<u>(898,836)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			<u>\$ (15,613,956)</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, 2012**

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, 2012:

GAAP expenditures	\$ 206,811,749
Encumbrances at:	
September 30, 2012	875,537
October 01, 2011	<u>(898,836)</u>
Budgetary expenditures	<u>\$ 206,788,450</u>

For the fiscal year ended September 30, 2012, general fund expenditures exceeded budgetary appropriations by \$18,251,608.

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, 2012	\$ 18,964,341
Add encumbrances:	
Function	
General government	95,620
Economic development	3,801
Public safety	258,004
Public works	435,536
Culture and recreation	65,066
Finance	16,798
Other	<u>712</u>
Total encumbrances	<u>875,537</u>
Fund balance - GAAP basis at September 30, 2012	<u>\$ 19,839,878</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, 2012**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 10,102,806	\$ 4,516,268	\$ 17,338,693	\$ 31,957,767
Receivables, net	567,538	-	691,762	1,259,300
Total assets	<u>\$ 10,670,344</u>	<u>\$ 4,516,268</u>	<u>\$ 18,030,455</u>	<u>\$ 33,217,067</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 239,180	\$ -	\$ 1,199,733	\$ 1,438,913
Due to other funds	-	-	300,000	300,000
Total liabilities	<u>239,180</u>	<u>-</u>	<u>1,499,733</u>	<u>1,738,913</u>
FUND BALANCES				
Restricted	3,125,149	4,516,268	9,943,364	17,584,781
Committed	7,269,987	-	165,204	7,435,191
Assigned	36,028	-	6,422,154	6,458,182
Total fund balances	<u>10,431,164</u>	<u>4,516,268</u>	<u>16,530,722</u>	<u>31,478,154</u>
Total liabilities and fund balances	<u>\$ 10,670,344</u>	<u>\$ 4,516,268</u>	<u>\$ 18,030,455</u>	<u>\$ 33,217,067</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, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues				
Taxes	\$ 6,752,773	\$ -	\$ 9,158,354	\$ 15,911,127
Licenses and permits	-	-	2,741,821	2,741,821
State and federal assistance	-	-	1,636,373	1,636,373
Interest	17	348	17,793	18,158
Charges for services	-	-	277,114	277,114
Other revenue	1,743	-	-	1,743
Total revenues	<u>6,754,533</u>	<u>348</u>	<u>13,831,455</u>	<u>20,586,336</u>
Expenditures				
Current:				
Nondepartmental	2,495,450	-	600,000	3,095,450
Capital outlay	658,232	-	5,026,497	5,684,729
Debt Service:				
Principal payments	-	8,099,064	-	8,099,064
Interest and fees	-	13,836,138	251,280	14,087,418
Total expenditures	<u>3,153,682</u>	<u>21,935,202</u>	<u>5,877,777</u>	<u>30,966,661</u>
Excess (deficiency) of revenues over expenditures	<u>3,600,851</u>	<u>(21,934,854)</u>	<u>7,953,678</u>	<u>(10,380,325)</u>
Other financing sources (uses)				
Transfers in	-	22,464,672	-	22,464,672
Transfers out	(1,330,702)	-	(9,885,163)	(11,215,865)
Total other financing sources (uses)	<u>(1,330,702)</u>	<u>22,464,672</u>	<u>(9,885,163)</u>	<u>11,248,807</u>
Net change in fund balance	2,270,149	529,818	(1,931,485)	868,482
Fund balances, beginning of the year	8,161,015	3,986,450	18,462,207	30,609,672
Fund balances, end of the year	<u>\$ 10,431,164</u>	<u>\$ 4,516,268</u>	<u>\$ 16,530,722</u>	<u>\$ 31,478,154</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, 2012**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
ASSETS				
Cash, equity in pooled cash and investments	\$ 2,589,470	\$ 207,321	\$ -	\$ 2,796,791
Receivables, net	302,618	57,323	200,630	560,571
Total assets	<u>\$ 2,892,088</u>	<u>\$ 264,644</u>	<u>\$ 200,630</u>	<u>\$ 3,357,362</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,091	\$ -	\$ 210,079	\$ 211,170
Retainage payable	28,010	-	-	28,010
Total liabilities	<u>29,101</u>	<u>-</u>	<u>210,079</u>	<u>239,180</u>
Fund Balances:				
Restricted	2,862,987	264,644	(9,449)	3,118,182
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>2,862,987</u>	<u>264,644</u>	<u>(9,449)</u>	<u>3,118,182</u>
Total liabilities and fund balances	<u>\$ 2,892,088</u>	<u>\$ 264,644</u>	<u>\$ 200,630</u>	<u>\$ 3,357,362</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ -	\$ 36,028	\$ 7,269,987	\$ 10,102,806
6,967	-	-	567,538
<u>\$ 6,967</u>	<u>\$ 36,028</u>	<u>\$ 7,269,987</u>	<u>\$ 10,670,344</u>
\$ -	\$ -	\$ -	\$ 211,170
-	-	-	28,010
<u>-</u>	<u>-</u>	<u>-</u>	<u>239,180</u>
6,967	-	-	3,125,149
-	-	7,269,987	7,269,987
-	36,028	-	36,028
<u>6,967</u>	<u>36,028</u>	<u>7,269,987</u>	<u>10,431,164</u>
<u>\$ 6,967</u>	<u>\$ 36,028</u>	<u>\$ 7,269,987</u>	<u>\$ 10,670,344</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, 2012

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
Revenues				
Taxes	\$ 1,288,485	\$ 633,754	\$ 2,218,524	\$ 4,140,763
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>1,288,485</u>	<u>633,754</u>	<u>2,218,524</u>	<u>4,140,763</u>
Expenditures				
Nondepartmental				
Gas	-	-	47,575	47,575
Electricity	-	-	2,447,875	2,447,875
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,495,450</u>	<u>2,495,450</u>
Capital outlay				
Construction	524,793	-	-	524,793
Testing	3,793	-	-	3,793
Right-of-way and realty	41	-	-	41
Engineering	129,605	-	-	129,605
Total capital outlay	<u>658,232</u>	<u>-</u>	<u>-</u>	<u>658,232</u>
Total expenditures	<u>658,232</u>	<u>-</u>	<u>2,495,450</u>	<u>3,153,682</u>
Excess (deficiency) of revenues over expenditures	630,253	633,754	(276,926)	987,081
Other financing sources (uses)				
Transfers out	-	(600,000)	274,076	(325,924)
Net change in fund balance	<u>630,253</u>	<u>33,754</u>	<u>(2,850)</u>	<u>661,157</u>
Fund balances, beginning of the year	<u>2,232,734</u>	<u>230,890</u>	<u>(6,599)</u>	<u>2,457,025</u>
Fund balances, end of the year	<u>\$ 2,862,987</u>	<u>\$ 264,644</u>	<u>\$ (9,449)</u>	<u>\$ 3,118,182</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Total</u>
\$ 79,596	\$ -	\$ 2,532,414	\$ 6,752,773
-	17	-	17
-	1,743	-	1,743
<u>79,596</u>	<u>1,760</u>	<u>2,532,414</u>	<u>6,754,533</u>
-	-	-	47,575
-	-	-	2,447,875
-	-	-	<u>2,495,450</u>
-	-	-	524,793
-	-	-	3,793
-	-	-	41
-	-	-	129,605
-	-	-	658,232
-	-	-	3,153,682
79,596	1,760	2,532,414	3,600,851
<u>(80,068)</u>	-	<u>(924,710)</u>	<u>(1,330,702)</u>
(472)	1,760	1,607,704	2,270,149
7,439	34,268	5,662,283	8,161,015
<u>\$ 6,967</u>	<u>\$ 36,028</u>	<u>\$ 7,269,987</u>	<u>\$10,431,164</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
NON-MAJOR SPECIAL REVENUE FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project to September 30 2012</u>
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ 5,201,718	\$ 658,231	\$ 5,859,949
Total 4 cent gasoline tax fund	<u>5,201,718</u>	<u>658,231</u>	<u>5,859,949</u>
Total special revenue funds projects	<u>\$ 5,201,718</u>	<u>\$ 658,231</u>	<u>\$ 5,859,949</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 129,605	\$ -	\$ 5,730,344
-	129,605	-	5,730,344
<u>\$ -</u>	<u>\$ 129,605</u>	<u>\$ -</u>	<u>\$ 5,730,344</u>

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.
- 2011 General Obligation Private Placement Warrants – This fund is used to service the remaining debt outstanding on the 2011 General Obligation Private Placement Warrants.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2012**

	<u>2011 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>	<u>2008 General Obligation Cap Impv Warrants</u>
ASSETS						
Cash, equity in pooled cash and investments	\$ 401,704	\$ 133,093	\$ -	\$ 1,635,921	\$ 3,068	\$ 985
Total assets	<u>\$ 401,704</u>	<u>\$ 133,093</u>	<u>\$ -</u>	<u>\$ 1,635,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>
FUND BALANCES						
Restricted	<u>\$ 401,704</u>	<u>\$ 133,093</u>	<u>\$ -</u>	<u>\$ 1,635,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>

<u>2008B & C General Obligation Ref & 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>2011 General Obligation Private Placement Warrants</u>	<u>Total</u>
<u>\$ 403,114</u>	<u>\$ 5,352</u>	<u>\$ 2,195</u>	<u>\$ 766,377</u>	<u>\$ 779,930</u>	<u>\$ 384,529</u>	<u>\$ -</u>	<u>\$ 4,516,268</u>
<u>\$ 403,114</u>	<u>\$ 5,352</u>	<u>\$ 2,195</u>	<u>\$ 766,377</u>	<u>\$ 779,930</u>	<u>\$ 384,529</u>	<u>\$ -</u>	<u>\$ 4,516,268</u>
<u>\$ 403,114</u>	<u>\$ 5,352</u>	<u>\$ 2,195</u>	<u>\$ 766,377</u>	<u>\$ 779,930</u>	<u>\$ 384,529</u>	<u>\$ -</u>	<u>\$ 4,516,268</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, 2012

	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	\$ 80	\$ 257	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>80</u>	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Principal payments	-	-	500,000	2,400,000	315,000	-
Interest	-	-	424,460	2,529,875	74,588	2,492,900
Interest reimbursement	-	-	-	-	-	-
Bank fees	-	3,190	250	3,250	-	-
Total expenditures	<u>-</u>	<u>3,190</u>	<u>924,710</u>	<u>4,933,125</u>	<u>389,588</u>	<u>2,492,900</u>
Excess (deficiency) of revenues over expenditures	<u>80</u>	<u>(2,933)</u>	<u>(924,710)</u>	<u>(4,933,125)</u>	<u>(389,588)</u>	<u>(2,492,900)</u>
Other financing sources (uses)						
Transfers in	-	-	924,710	4,929,875	389,588	2,492,901
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>924,710</u>	<u>4,929,875</u>	<u>389,588</u>	<u>2,492,901</u>
Net change in fund balances	80	(2,933)	-	(3,250)	-	1
Fund balances, beginning of the year	401,624	136,026	-	1,639,171	3,068	984
Fund balances, end of the year	<u>\$ 401,704</u>	<u>\$ 133,093</u>	<u>\$ -</u>	<u>\$ 1,635,921</u>	<u>\$ 3,068</u>	<u>\$ 985</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	2011 General Obligation Private Placement Warrants	Total
\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348
-	11	-	-	-	-	-	348
3,875,000	391,250	147,814	470,000	-	-	-	8,099,064
4,215,979	56,687	5,601	2,749,650	1,020,151	391,266	424,129	14,385,286
-	(22,716)	-	-	(357,053)	(176,069)	-	(555,838)
-	-	-	-	-	-	-	6,690
<u>8,090,979</u>	<u>425,221</u>	<u>153,415</u>	<u>3,219,650</u>	<u>663,098</u>	<u>215,197</u>	<u>424,129</u>	<u>21,935,202</u>
<u>(8,090,979)</u>	<u>(425,210)</u>	<u>(153,415)</u>	<u>(3,219,650)</u>	<u>(663,098)</u>	<u>(215,197)</u>	<u>(424,129)</u>	<u>(21,934,854)</u>
<u>8,090,979</u>	<u>428,004</u>	<u>153,420</u>	<u>3,219,650</u>	<u>1,020,150</u>	<u>391,266</u>	<u>424,129</u>	<u>22,464,672</u>
<u>8,090,979</u>	<u>428,004</u>	<u>153,420</u>	<u>3,219,650</u>	<u>1,020,150</u>	<u>391,266</u>	<u>424,129</u>	<u>22,464,672</u>
-	2,794	5	-	357,052	176,069	-	529,818
403,114	2,558	2,190	766,377	422,878	208,460	-	3,986,450
<u>\$ 403,114</u>	<u>\$ 5,352</u>	<u>\$ 2,195</u>	<u>\$ 766,377</u>	<u>\$ 779,930</u>	<u>\$ 384,529</u>	<u>\$ -</u>	<u>\$ 4,516,268</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.
- 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, 2012**

	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	1999 General Obligation Private Placement - IPSCO	2000 Capital Projects
ASSETS								
Cash, equity in pooled cash and investments	\$ 6,114,674	\$ 54,323	\$ 221,419	\$ 3,911,611	\$ 1,514,592	\$ 1,070,899	\$ 9,676	\$ 588,894
Receivables, net	691,762	-	-	-	-	-	-	-
Total assets	<u>\$ 6,806,436</u>	<u>\$ 54,323</u>	<u>\$ 221,419</u>	<u>\$ 3,911,611</u>	<u>\$ 1,514,592</u>	<u>\$ 1,070,899</u>	<u>\$ 9,676</u>	<u>\$ 588,894</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 2,880	\$ -	\$ 1,380	\$ 24,804	\$ 22,051	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-	17,106	-	-
Due to other funds	300,000	-	-	-	-	-	-	-
Total liabilities	<u>302,880</u>	<u>-</u>	<u>1,380</u>	<u>24,804</u>	<u>22,051</u>	<u>17,106</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted	-	54,323	220,039	3,886,807	1,492,541	1,053,793	9,676	588,894
Committed	81,402	-	-	-	-	-	-	-
Assigned	6,422,154	-	-	-	-	-	-	-
Total fund balances	<u>6,503,556</u>	<u>54,323</u>	<u>220,039</u>	<u>3,886,807</u>	<u>1,492,541</u>	<u>1,053,793</u>	<u>9,676</u>	<u>588,894</u>
Total liabilities and fund balances	<u>\$ 6,806,436</u>	<u>\$ 54,323</u>	<u>\$ 221,419</u>	<u>\$ 3,911,611</u>	<u>\$ 1,514,592</u>	<u>\$ 1,070,899</u>	<u>\$ 9,676</u>	<u>\$ 588,894</u>

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
\$ 152,787	\$ 83,802	\$ 744,590	\$ 2,502	\$ 402,611	\$ 142,682	\$ 2,323,631	\$ 17,338,693
-	-	-	-	-	-	-	691,762
<u>\$ 152,787</u>	<u>\$ 83,802</u>	<u>\$ 744,590</u>	<u>\$ 2,502</u>	<u>\$ 402,611</u>	<u>\$ 142,682</u>	<u>\$ 2,323,631</u>	<u>\$ 18,030,455</u>
\$ -	\$ -	\$ 45,162	\$ -	\$ 380,597	\$ -	\$ 593,401	\$ 1,070,275
-	-	6,600	-	-	-	105,752	129,458
-	-	-	-	-	-	-	300,000
-	-	51,762	-	380,597	-	699,153	1,499,733
152,787	-	692,828	2,502	22,014	142,682	1,624,478	9,943,364
-	83,802	-	-	-	-	-	165,204
-	-	-	-	-	-	-	6,422,154
<u>152,787</u>	<u>83,802</u>	<u>692,828</u>	<u>2,502</u>	<u>22,014</u>	<u>142,682</u>	<u>1,624,478</u>	<u>16,530,722</u>
<u>\$ 152,787</u>	<u>\$ 83,802</u>	<u>\$ 744,590</u>	<u>\$ 2,502</u>	<u>\$ 402,611</u>	<u>\$ 142,682</u>	<u>\$ 2,323,631</u>	<u>\$ 18,030,455</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, 2012

	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	1999 General Obligation Private Placement - IPSCO	2000 Capital Projects
Revenues								
Sales tax	\$ 3,724,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	1,559,899	-	-	-	-	-	-	-
Motor fuel - tax	2,206,550	-	-	-	-	-	-	-
Room - tax	1,667,672	-	-	-	-	-	-	-
Business license	2,741,821	-	-	-	-	-	-	-
State and federal assistance	-	-	-	1,636,373	-	-	-	-
Interest	6,595	-	138	1,665	3,031	739	15	-
Charges for services	277,114	-	-	-	-	-	-	-
Total revenues	12,183,884	-	138	1,638,038	3,031	739	15	-
Expenditures								
Current								
Nondepartmental	600,000	-	-	-	-	-	-	-
Interest and fees	163,671	-	-	84,459	-	-	-	-
Capital outlay								
Capitalized equipment	-	-	-	9,681	-	-	-	-
Right-of-way and realty	-	-	-	847	704	-	-	-
Testing	-	-	-	10,276	1,313	25,000	-	2,346
Engineering	-	-	-	16,754	12,565	10,001	-	-
Architectural	-	-	-	-	-	-	-	-
Commodities	-	-	-	94,497	-	-	-	-
Construction	-	-	56,668	(465)	316,402	-	-	5,636
Professional services	134,904	-	21,457	89,625	598	-	-	-
Other	2,179,436	-	-	-	-	-	-	-
Total capital outlay	2,314,340	-	78,125	221,215	331,582	35,001	-	7,982
Total expenditures	3,078,011	-	78,125	305,674	331,582	35,001	-	7,982
Excess (deficiency) of revenues over expenditures	9,105,873	-	(77,987)	1,332,364	(328,551)	(34,262)	15	(7,982)
Other financing sources (uses)								
Transfers out	(9,495,575)	-	-	(389,588)	-	-	-	-
Total other financing sources (uses)	(9,495,575)	-	-	(389,588)	-	-	-	-
Net change in fund balance	(389,702)	-	(77,987)	942,776	(328,551)	(34,262)	15	(7,982)
Fund balances, beginning	6,893,258	54,323	298,026	2,944,031	1,821,092	1,088,055	9,661	596,876
Fund balances, ending	\$ 6,503,556	\$ 54,323	\$ 220,039	\$ 3,886,807	\$ 1,492,541	\$ 1,053,793	\$ 9,676	\$ 588,894

2002 Limited Obligation Tax Increment Capital Projects	Flood Manage- ment	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,724,233
-	-	-	-	-	-	-	1,559,899
-	-	-	-	-	-	-	2,206,550
-	-	-	-	-	-	-	1,667,672
-	-	-	-	-	-	-	2,741,821
-	-	-	-	-	-	-	1,636,373
-	42	-	4	443	71	5,050	17,793
-	-	-	-	-	-	-	277,114
<u>-</u>	<u>42</u>	<u>-</u>	<u>4</u>	<u>443</u>	<u>71</u>	<u>5,050</u>	<u>13,831,455</u>
-	-	-	-	-	-	-	600,000
-	-	3,150	-	-	-	-	251,280
-	-	-	-	-	-	-	9,681
-	-	1,027	-	-	-	442	3,020
-	-	-	-	-	-	-	38,935
-	-	2,974	-	-	-	231,258	273,552
-	-	34,338	-	-	-	-	34,338
-	-	-	-	182,833	-	-	277,330
-	-	28,227	-	360,106	-	305,784	1,072,358
-	-	10,934	-	-	-	844,506	1,102,024
-	-	35,823	-	-	-	-	2,215,259
<u>-</u>	<u>-</u>	<u>113,323</u>	<u>-</u>	<u>542,939</u>	<u>-</u>	<u>1,381,990</u>	<u>5,026,497</u>
<u>-</u>	<u>-</u>	<u>116,473</u>	<u>-</u>	<u>542,939</u>	<u>-</u>	<u>1,381,990</u>	<u>5,877,777</u>
-	42	(116,473)	4	(542,496)	71	(1,376,940)	7,953,678
-	-	-	-	-	-	-	(9,885,163)
-	-	-	-	-	-	-	(9,885,163)
-	42	(116,473)	4	(542,496)	71	(1,376,940)	(1,931,485)
152,787	83,760	809,301	2,498	564,510	142,611	3,001,418	18,462,207
<u>\$ 152,787</u>	<u>\$ 83,802</u>	<u>\$ 692,828</u>	<u>\$ 2,502</u>	<u>\$ 22,014</u>	<u>\$ 142,682</u>	<u>\$ 1,624,478</u>	<u>\$ 16,530,722</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2012
General Government			
Multipurpose			
Miscellaneous bank service charges	\$ -	\$ 4,768	\$ 4,768
Issue costs/bank charges	-	3,150	3,150
Finance - general government equip and misc items	-	55,384	55,384
Mayor's discretionary	-	2,000	2,000
Administrative services	-	1,811	1,811
Building and grounds allowance	-	295,700	295,700
Hurricane Reserve	-	19,377	19,377
Church St. Graveyard repairs	-	2,871	2,871
City share - economic development	-	1,696,723	1,696,723
City share - Demolition westside	-	73,580	73,580
Citywide strategic and marketing plans	548,664	69,904	618,568
Demolitions - condemned buildings	-	5,125	5,125
Demolitions - condemned structures	-	42,710	42,710
Equipment - animal shelter	-	10,273	10,273
Equipment - public works	-	8,392	8,392
Equipment - telecommunications	-	132,823	132,823
Environmental testing & upgrades	-	16,867	16,867
Financial software maintenance	-	218,196	218,196
Housing First - homeless center	-	67,500	67,500
Workforce development	-	54,000	54,000
Mechanical maintenance - maintenance projects	-	155,538	155,538
Mobile Area Education Fund	-	135,000	135,000
Mobile Airport - rent Aviation Training School	-	10,112	10,112
Public buildings - maintenance projects	-	113,092	113,092
Tardy cottage improvements	-	6,967	6,967
Telephone switch upgrade	92,609	-	92,609
Strategic planning - comm/react/CitiSmart	-	65,000	65,000
Total multipurpose	<u>641,273</u>	<u>3,266,863</u>	<u>3,908,136</u>

		Disposition					
		In-Progress		Completed			
		Expensed	Capitalized	Expensed	Capitalized		
\$	-	\$	-	\$	4,768	\$	-
	-		-		3,150		-
	-		-		55,384		-
	-		-		2,000		-
	-		-		1,811		-
	-		-		281,647		14,053
	-		-		19,377		-
	-		-		2,871		-
	-		-		1,696,723		-
	-		-		73,580		-
	-		-		618,568		-
	-		-		5,125		-
	-		-		42,710		-
	-		-		10,273		-
	-		-		1,592		6,800
	-		-		132,823		-
	-		-		16,867		-
	-		-		218,196		-
	-		-		67,500		-
	-		-		54,000		-
	-		-		151,379		4,159
	-		-		135,000		-
	-		-		10,112		-
	-		-		113,092		-
	-		-		6,967		-
	92,609		-		-		-
	-		-		65,000		-
	<u>92,609</u>		<u>-</u>		<u>3,790,515</u>		<u>25,012</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2012
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 10,564	\$ 10,564
Various drainage pipe repair	511,708	-	511,708
Stormwater management	-	195,710	195,710
2006 Drainage projects	1,607	4,754	6,361
2007 Annex areas 1 & 2	3,053,364	-	3,053,364
2008 Misc drainage/pipes	189,783	-	189,783
Misc. drainage pipes	169,084	5,340	174,424
Bayou St. Board of Health	183,925	-	183,925
Big Stickney Culvert at Springhill Avenue	49,363	-	49,363
Carlisle phase 2 - Morlee Drive to Illinois Central Gulf Railroad	3,676,620	-	3,676,620
Conception Street drainage	84,812	-	84,812
Citywide storm drainage repairs	-	28,571	28,571
Cottage Hill - bridge repair	13,450	-	13,450
Dubroca emergency drainage	111,247	619	111,866
Emogene Street bridge repairs	128,749	316,402	445,151
Emergency Langan Park dam repair	-	197,775	197,775
Eslava Creek at Airport	73,953	-	73,953
Florida Street - Woodcock Creek - Dauphin	7,910,756	-	7,910,756
Halls Mill Road at Moore - bridge	51,597	-	51,597
Hillcrest Trace drainage	-	58,274	58,274
Hillwood Road - District 5	581,437	-	581,437
Little Stickney - Springhill	1,166,806	-	1,166,806
Michigan Avenue bridge repairs	1,207,846	645	1,208,491
Middle Branch - Moores Creek	351,895	948	352,843
Moores Creek - Burma to Moores	-	13,662	13,662
NRCS Erosion Debris removal	921,489	-	921,489
Rosedale emergency drainage	54,218	7,364	61,582
Seabreeze Road East drainage	217,266	-	217,266
Southern drain phase 2	6,914,091	-	6,914,091
Todd Acres bridge repars	-	158,695	158,695
Trinity Gardens ditch enclosures	242,138	(3,881)	238,257
Total environmental	<u>27,867,204</u>	<u>995,442</u>	<u>28,862,646</u>

Disposition			
In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 10,564	\$ -
-	-	-	511,708
-	-	195,710	-
-	-	-	6,361
-	-	-	3,053,364
-	189,783	-	-
-	174,424	-	-
-	183,925	-	-
-	49,363	-	-
-	-	-	3,676,620
-	84,812	-	-
-	-	-	28,571
-	-	-	13,450
-	111,866	-	-
-	445,151	-	-
-	-	-	197,775
-	73,953	-	-
-	7,910,756	-	-
-	51,597	-	-
-	-	-	58,274
-	-	-	581,437
-	1,166,806	-	-
-	1,208,491	-	-
-	-	-	352,843
-	13,662	-	-
-	-	921,489	-
-	-	-	61,582
-	-	-	217,266
-	-	-	6,914,091
-	158,695	-	-
-	238,257	-	-
-	12,061,541	1,127,763	15,673,342

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2012
General Government			
Transportation			
Electrical equipment	\$ -	\$ 4,726	\$ 4,726
INFRA-ADA modifications	173,333	38,102	211,435
Traffic engineering - street improvements	-	17,255	17,255
Traffic eng-crowd control barricades	-	11,695	11,695
Resurfacing - 4 cent gas tax project	10,339	33,293	43,632
City's share - Hillcrest MPO project	3,018,704	-	3,018,704
City's share - Airport/Snow Road	107,797	77,870	185,667
City's share - Zeigler Boulevard	555,698	157,253	712,951
Airport Boulevard signal system improvements	-	21,457	21,457
Hillsdale Heights sidewalks	26,909	-	26,909
Lloyds Lane sidewalks	12,100	-	12,100
Miscellaneous street improvements	-	296,552	296,552
St. Stephens Road sidewalks	109,450	-	109,450
Stormwater - miscellaneous bridges	1,010,172	148,192	1,158,364
Traffic circles/calming devices	-	21,200	21,200
Traffic engineering - two way St. Louis Street	162,700	-	162,700
Total transportation	5,187,202	827,595	6,014,797
Security			
Metro 800 mhz emergency radios	5,926,369	-	5,926,369
Equipment - fire	-	3,399	3,399
Equipment - police	-	14,270	14,270
Fire - misc fire station bldg improvements	1,550,322	3,887	1,554,209
Fire - various station upgrades	-	14,000	14,000
Lease - 2010 public safety	-	376,311	376,311
Lease - 2011 capital equipment	-	840,884	840,884
New fire station - Theodore	128,645	642,991	671,636
New public safety facility	6,632,820	69,442	6,702,262
New towing facility	-	1,530	1,530
Police bldg - 850 St. Anthony	72,333	16,190	88,523

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 4,726	\$ -
-	211,435	-	-
-	-	17,255	-
-	-	11,695	-
-	3,768	-	39,864
-	3,018,704	-	-
-	185,667	-	-
-	712,951	-	-
-	-	-	21,457
-	26,909	-	-
-	-	-	12,100
-	-	-	296,552
-	-	-	109,450
-	-	-	1,158,364
-	21,200	-	-
-	-	-	162,700
-	4,180,634	33,676	1,800,487
-	5,926,369	-	-
-	-	3,399	-
-	-	14,270	-
-	-	-	1,554,209
-	-	-	14,000
-	-	25,980	350,331
-	-	-	840,884
-	-	-	671,636
-	-	-	6,702,262
-	-	1,530	-
-	88,523	-	-

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2012
General Government			
Security (Cont'd)			
Police building - 200 Government St. purchase	\$ 825,044	\$ 223,790	\$ 1,048,834
Total security	<u>15,135,533</u>	<u>2,206,694</u>	<u>17,242,227</u>
Recreation			
Equipment - parks and recreation	-	2,812	2,812
College Football Bowl	-	1,135,000	1,135,000
Parks - annexed area	3,850	372,408	376,258
Parks - Bienville Square restrooms	-	78,695	78,695
Parks - Crawford Park improvements	-	152	152
Parks - Hillsdale Community Center	-	152	152
Parks - James Seals	-	760	760
Parks - Kidd Park improvements	15,928	-	15,928
Parks - Mardi Gras Park	1,327	-	1,327
Parks - Mary Abby Berg	-	100,000	100,000
Parks - Matthew Park improvements	-	15,026	15,026
Parks - Medal of Honor	-	1,110	1,110
Parks - Medal of Honor Pavillion	-	125,823	125,823
Parks - Plateau Community	-	1,927	1,927

Dispositon

In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ -	\$ 1,048,834
-	6,014,892	45,179	11,182,156
-	-	2,812	-
-	-	1,135,000	-
-	376,258	-	-
-	78,695	-	-
-	-	152	-
-	-	152	-
-	-	760	-
-	15,928	-	-
-	1,327	-	-
-	-	100,000	-
-	-	15,026	-
-	-	1,110	-
-	-	125,823	-
-	-	1,927	-

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2012
General Government			
Recreation (Cont'd)			
Parks - Theodore area park	\$ 69,115	\$ 29,516	\$ 98,631
Parks - Trinity Gardens Park	-	152	152
Springhill Ave recreation center	-	6,393	6,393
Parks - City-wide swimming pool repair	-	1,606	1,606
Waterfront development - GulfQuest	110	-	110
Waterfront development	28,751,901	15,720,663	44,472,564
Waterfront development - general fund	<u>(20,207,082)</u>	<u>(4,506,249)</u>	<u>(24,713,331)</u>
Total recreation	<u>8,635,149</u>	<u>13,085,946</u>	<u>21,721,095</u>
Cultural			
Fort Conde Welcome Center - roof repairs	137,029	122,972	260,001
Centre for the Living Arts	-	200,000	200,000
Strategic Plan - Saenger Theatre renovations	-	11,600	11,600
Strategic Plan - Battleship restoration	-	45,000	45,000
Total cultural	<u>137,029</u>	<u>379,572</u>	<u>516,601</u>
Total general government	<u>57,603,390</u>	<u>20,762,112</u>	<u>78,265,502</u>
Proprietary			
Mobile Civic Center:			
Civic Center renovations	-	97,406	97,406
Total proprietary	<u>-</u>	<u>97,406</u>	<u>97,406</u>
Total capital projects	<u>\$ 57,603,390</u>	<u>\$ 20,859,518</u>	<u>\$ 78,362,908</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 98,631	\$ -	\$ -
-	-	152	-
-	-	6,393	-
-	-	1,606	-
-	110	-	-
-	44,472,564	-	-
-	(24,713,331)	-	-
-	20,330,182	1,390,913	-
-	260,001	-	-
-	-	200,000	-
-	-	11,600	-
-	-	45,000	-
-	260,001	256,600	-
92,609	42,847,250	6,644,646	28,680,997
-	-	97,406	-
-	-	97,406	-
\$ 92,609	\$ 42,847,250	\$ 6,742,052	\$ 28,680,997

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, 2012**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 2,023,321	\$ 1,297,782	\$ -	\$ 3,321,103
Receivables, net	16,712	-	-	16,712
Total current assets	<u>2,040,033</u>	<u>1,297,782</u>	<u>-</u>	<u>3,337,815</u>
Property, plant and equipment				
Vehicles	31,548,880	-	-	31,548,880
Furniture, fixtures and equipment	3,959,072	-	-	3,959,072
	<u>35,507,952</u>	<u>-</u>	<u>-</u>	<u>35,507,952</u>
Less: accumulated depreciation	<u>(27,262,520)</u>	<u>-</u>	<u>-</u>	<u>(27,262,520)</u>
Property, plant and equipment - net	<u>8,245,432</u>	<u>-</u>	<u>-</u>	<u>8,245,432</u>
Total assets	<u>\$ 10,285,465</u>	<u>\$ 1,297,782</u>	<u>\$ -</u>	<u>\$ 11,583,247</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 180,346	\$ 110,048	\$ 502,898	\$ 793,292
Accrued payroll	1,440	-	-	1,440
Capital lease obligations - current portion	222,733	-	-	222,733
Insurance claims payable	-	-	2,069,187	2,069,187
Due to other funds	-	-	1,308,267	1,308,267
Total current liabilities	<u>404,519</u>	<u>110,048</u>	<u>3,880,352</u>	<u>4,394,919</u>
Noncurrent liabilities:				
Capital lease obligations, net of current portion	953,027	-	-	953,027
Self-insured liability - legal	-	1,245,300	-	1,245,300
Total noncurrent liabilities	<u>953,027</u>	<u>1,245,300</u>	<u>-</u>	<u>2,198,327</u>
Total liabilities	<u>1,357,546</u>	<u>1,355,348</u>	<u>3,880,352</u>	<u>6,593,246</u>
Net Assets				
Invested in capital assets, net of related debt	7,069,673	-	-	7,069,673
Unrestricted	1,858,246	(57,566)	(3,880,352)	(2,079,672)
Total net assets	<u>8,927,919</u>	<u>(57,566)</u>	<u>(3,880,352)</u>	<u>4,990,001</u>
Total liabilities and net assets	<u>\$ 10,285,465</u>	<u>\$ 1,297,782</u>	<u>\$ -</u>	<u>\$ 11,583,247</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, 2012

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Operating revenues				
Charges for services	\$ 3,882,394	\$ -	\$ 19,760,321	\$ 23,642,715
Miscellaneous revenue	3,900	2,548	8,827	15,275
Total operating revenues	<u>3,886,294</u>	<u>2,548</u>	<u>19,769,148</u>	<u>23,657,990</u>
Operating expenditures				
Materials	2,508,441	72,721	-	2,581,162
Personnel services	69,827	-	-	69,827
Professional and technical	-	695,813	76,575	772,388
Utilities	37,795	-	-	37,795
Other charges	2,350	1,576,572	1,682	1,580,604
Insurance payments	-	-	24,651,988	24,651,988
Increase (decrease) in provision for self-insured loss	-	-	(48,278)	(48,278)
Depreciation	1,688,589	-	-	1,688,589
Total operating expense	<u>4,307,002</u>	<u>2,345,106</u>	<u>24,681,967</u>	<u>31,334,075</u>
Operating income (loss)	<u>(420,708)</u>	<u>(2,342,558)</u>	<u>(4,912,819)</u>	<u>(7,676,085)</u>
Nonoperating revenues (expenses)				
Gain (loss) on disposal of capital assets	25,936	-	-	25,936
Damaged vehicles reimbursement	114,042	-	-	114,042
Retiree Drug Subsidy	-	-	430,295	430,295
Interest	(39,468)	-	-	(39,468)
Total nonoperating revenues	<u>100,510</u>	<u>-</u>	<u>430,295</u>	<u>530,805</u>
Income (loss) before operating transfers	<u>(320,198)</u>	<u>(2,342,558)</u>	<u>(4,482,524)</u>	<u>(7,145,280)</u>
Transfers in	-	1,489,240	7,162,200	8,651,440
Transfers out	-	-	-	-
Change in net assets	<u>(320,198)</u>	<u>(853,318)</u>	<u>2,679,676</u>	<u>1,506,160</u>
Net assets - beginning	9,248,117	795,752	(6,560,028)	3,483,841
Net assets at end of the year	<u>\$ 8,927,919</u>	<u>\$ (57,566)</u>	<u>\$ (3,880,352)</u>	<u>\$ 4,990,001</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Cash flows from operating activities				
Cash received from:				
Internal billings	\$ 3,881,152	\$ -	\$ 14,287,091	\$ 18,168,243
Customers and users	-	-	1,111,195	1,111,195
Employee contributions	-	-	4,362,034	4,362,034
Miscellaneous	3,900	-	8,827	12,727
Cash payments for insurance claims	-	-	(24,579,476)	(24,579,476)
Cash payments for operating expenses	(2,385,607)	(1,900,911)	(78,257)	(4,364,775)
Cash payments to employees for services	(69,748)	-	-	(69,748)
Net cash provided (used) by operating activities	<u>1,429,697</u>	<u>(1,900,911)</u>	<u>(4,888,586)</u>	<u>(5,359,800)</u>
Cash flows from non-capital financing activities				
Transfers in from other funds	-	1,489,240	7,162,200	8,651,440
Transfers out to other funds	-	-	(2,703,909)	(2,703,909)
Retiree drug subsidy	-	-	430,295	430,295
Net cash provided by non-capital financing activities	<u>-</u>	<u>1,489,240</u>	<u>4,888,586</u>	<u>6,377,826</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,335,742)	-	-	(1,335,742)
Proceeds from sale of capital assets	139,610	-	-	139,610
Principal payments	(397,273)	-	-	(397,273)
Interest payments	(39,468)	-	-	(39,468)
Reimbursement for damaged vehicles	114,042	-	-	114,042
Net cash used by capital and related financing activities	<u>(1,518,831)</u>	<u>-</u>	<u>-</u>	<u>(1,518,831)</u>
Cash flows from investing activities				
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	(89,134)	(411,671)	-	(500,805)
Pooled cash and investments - beginning of the year	2,112,455	1,709,453	-	3,821,908
Pooled cash and investments - end of the year	<u>\$ 2,023,321</u>	<u>\$ 1,297,782</u>	<u>\$ -</u>	<u>\$ 3,321,103</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (420,708)	\$ (2,342,558)	\$ (4,912,819)	\$ (7,676,085)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,688,589	-	-	1,688,589
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(1,242)	-	-	(1,242)
Increase (decrease) in:				
Accounts payable	162,979	11,347	72,511	246,837
Accrued liabilities	79	-	-	79
Insurance claims payable	-	-	(48,278)	(48,278)
Self-insured liability - legal	-	430,300	-	430,300
Total adjustments	<u>1,850,405</u>	<u>441,647</u>	<u>24,233</u>	<u>2,316,285</u>
Net cash provided (used) by operating activities	<u>\$ 1,429,697</u>	<u>\$ (1,900,911)</u>	<u>\$ (4,888,586)</u>	<u>\$ (5,359,800)</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, 2012**

	Azalea City Golf Course	Firemedics
ASSETS		
Current assets:		
Cash, equity in pooled cash and investments	\$ -	\$ -
Receivables, net	-	1,808,551
Inventories	73,946	-
Total current assets	73,946	1,808,551
Noncurrent assets equipment		
Non-depreciable capital assets	1,457,640	-
Depreciable capital assets, net	2,109,434	88,700
Total noncurrent assets	3,567,074	88,700
Total assets	\$ 3,641,020	\$ 1,897,251
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 76,863	\$ 773,422
Deferred revenue	-	-
Due to other funds	540,034	573,094
Total current liabilities	616,897	1,346,516
Net Assets		
Invested in capital assets, net of related debt	3,521,694	88,700
Unrestricted	(497,571)	462,035
Total net assets	3,024,123	550,735
Total liabilities and net assets	\$ 3,641,020	\$ 1,897,251

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 600	\$ 645,767	\$ 646,367
-	-	1,808,551
-	-	73,946
<u>600</u>	<u>645,767</u>	<u>2,528,864</u>
-	-	1,457,640
<u>74,602</u>	<u>72,779</u>	<u>2,345,515</u>
<u>74,602</u>	<u>72,779</u>	<u>3,803,155</u>
<u>\$ 75,202</u>	<u>\$ 718,546</u>	<u>\$ 6,332,019</u>
\$ 22,630	\$ 1,570	\$ 874,485
-	1,500	1,500
-	-	1,113,128
<u>22,630</u>	<u>3,070</u>	<u>1,989,113</u>
74,602	72,779	3,757,775
<u>(22,030)</u>	<u>642,697</u>	<u>585,131</u>
<u>52,572</u>	<u>715,476</u>	<u>4,342,906</u>
<u>\$ 75,202</u>	<u>\$ 718,546</u>	<u>\$ 6,332,019</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, 2012**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Operating revenues		
Sales revenue	\$ 165,113	\$ -
User charges	1,183,162	2,926,900
Concessions	-	-
Miscellaneous revenue	473	-
Cost reimbursement	-	922
Total operating revenues	<u>1,348,748</u>	<u>2,927,822</u>
Operating expenditures		
Utilities	72,982	38,311
Cost of goods sold	89,561	-
Personnel services	760,575	5,270,001
Professional and technical	5,312	268,180
Commodities	187,792	555,736
Printing and reproduction	-	-
Other charges	165,664	247,230
Depreciation	144,211	5,770
Total operating expense	<u>1,426,097</u>	<u>6,385,228</u>
Operating income (loss)	<u>(77,349)</u>	<u>(3,457,406)</u>
Nonoperating revenues (expenses)		
Gain (loss) on disposal of capital assets	(2,208)	-
Total nonoperating revenues (expenses)	<u>(2,208)</u>	<u>-</u>
Net income (loss) before transfers	(79,557)	(3,457,406)
Transfers in	-	4,596,818
Change in net assets	(79,557)	1,139,412
Net assets - beginning	3,103,680	(588,677)
Net assets at end of the year	<u>\$ 3,024,123</u>	<u>\$ 550,735</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Totals</u>
\$ 3,000	\$ -	\$ 168,113
205,836	-	4,315,898
2,426	-	2,426
99	-	572
-	-	922
<u>211,361</u>	<u>-</u>	<u>4,487,931</u>
69,581	4,122	184,996
-	-	89,561
355,337	-	6,385,913
126,573	425	400,490
35,858	2,225	781,611
-	168	168
10,959	2,972	426,825
3,887	2,694	156,562
<u>602,195</u>	<u>12,606</u>	<u>8,426,126</u>
<u>(390,834)</u>	<u>(12,606)</u>	<u>(3,938,195)</u>
-	(12,535)	(14,743)
-	(12,535)	(14,743)
<u>(390,834)</u>	<u>(25,141)</u>	<u>(3,952,938)</u>
<u>390,748</u>	<u>-</u>	<u>4,987,566</u>
(86)	(25,141)	1,034,628
<u>52,658</u>	<u>740,617</u>	<u>3,308,278</u>
<u>\$ 52,572</u>	<u>\$ 715,476</u>	<u>\$ 4,342,906</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Cash flows from operating activities		
Cash received from:		
User charges	\$ 1,183,162	\$ 2,662,380
Sales revenue	165,113	-
Facility rent	-	-
Concessions	-	-
Miscellaneous	473	922
Cash payments for operating expenses	(616,807)	(894,781)
Cash payment for internal services	(59,440)	(443,675)
Cash payments to employees for services	(705,360)	(4,950,727)
Net cash provided (used) by operating activities	<u>(32,859)</u>	<u>(3,625,881)</u>
Cash flows from non-capital financing activities		
Transfers in from other funds	<u>32,859</u>	<u>3,625,881</u>
Net cash provided by non-capital financing activities	<u>32,859</u>	<u>3,625,881</u>
Cash flows from capital and related financing activities		
Capital-related transfers in from other funds	45,380	-
Acquisition of capital assets	(45,380)	-
Proceeds from sale of capital assets	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Investment income received	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	<u>-</u>	<u>-</u>
Pooled cash and investments - beginning of the year	<u>-</u>	<u>-</u>
Pooled cash and investments - end of the year	<u>\$ -</u>	<u>\$ -</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
\$ 205,836	\$ -	\$ 4,051,378
-	-	165,113
3,000	-	3,000
2,426	-	2,426
1,618	1,500	4,513
(246,220)	(8,718)	(1,766,526)
(18,097)	-	(521,212)
<u>(339,371)</u>	<u>-</u>	<u>(5,995,458)</u>
<u>(390,808)</u>	<u>(7,218)</u>	<u>(4,056,766)</u>
<u>390,748</u>	<u>-</u>	<u>4,049,488</u>
<u>390,748</u>	<u>-</u>	<u>4,049,488</u>
-	-	45,380
-	-	(45,380)
-	19,173	19,173
<u>-</u>	<u>19,173</u>	<u>19,173</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
(60)	11,955	11,895
660	633,812	634,472
<u>\$ 600</u>	<u>\$ 645,767</u>	<u>\$ 646,367</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (77,349)</u>	<u>\$ (3,457,406)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	144,212	5,770
Change in assets and liabilities:		
Decrease (increase) in		
Accounts receivable	-	(264,520)
Materials and supplies	(26,349)	-
Increase (decrease) in		
Accounts payable	(73,255)	68,317
Payroll payable	(118)	21,958
Advance collection	-	-
Total adjustments	<u>44,490</u>	<u>(168,475)</u>
Net cash provided (used) by operating activities	<u>\$ (32,859)</u>	<u>\$ (3,625,881)</u>

<u>Tennis Center</u>	<u>Affordable Homes Program</u>	<u>Total</u>
<u>\$ (390,834)</u>	<u>\$ (12,606)</u>	<u>\$ (3,938,195)</u>
3,887	2,694	156,563
-	-	(264,520)
-	-	(26,349)
(5,811)	1,194	(9,555)
1,950	-	23,790
-	1,500	1,500
<u>26</u>	<u>5,388</u>	<u>(118,571)</u>
<u>\$ (390,808)</u>	<u>\$ (7,218)</u>	<u>\$ (4,056,766)</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
ENTERPRISE FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2012

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2012</u>
WAVE Transit			
Facility improvement - N. Mobile County	\$ 52,010	\$ 440,001	\$ 492,011
Mobile Convention Center			
Waterfront Development-GulfQuest	-	1,600,000	1,600,000
Lightning protection system	-	840	840
Chiller repairs	-	47,281	47,281
Fire alarm	355,890	-	355,890
Cooling tower	-	510,443	510,443
Equipment & misc	-	171,768	171,768
Sports & marketing	-	6,651	6,651
Robert Trent Jones Golf	-	315,000	315,000
Bayfest, Inc.	-	243,000	243,000
Total	<u>\$ 407,900</u>	<u>\$ 3,334,984</u>	<u>\$ 3,742,884</u>

Disposition			
In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ 492,011	\$ -	\$ -	\$ -
-	1,600,000	-	-
-	-	840	-
-	-	47,281	-
-	355,890	-	-
-	510,443	-	-
-	-	171,768	-
-	-	6,651	-
-	-	315,000	-
-	-	243,000	-
<u>\$ 492,011</u>	<u>\$ 2,466,333</u>	<u>\$ 784,540</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

Other Supplementary Information

General Fund
Capital Assets
Long-Term Debt

OTHER SUPPLEMENTARY INFORMATION

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
SEPTEMBER 30, 2012

	Budget	Actual	Variance Positive/ (Negative)
Taxes			
Property			
Real estate	\$ 11,958,751	\$ 12,127,483	\$ 168,732
Motor vehicle	1,350,000	1,603,024	253,024
Sales and use			
Sales tax - City	104,522,843	104,147,345	(375,498)
Sales tax - Police Jurisdiction	5,171,050	5,839,645	668,595
Lease/rental - City	4,294,426	3,476,410	(818,016)
Lease/rental - Police Jurisdiction	282,909	241,726	(41,183)
Room tax - City	3,442,000	3,326,294	(115,706)
Room tax - Police Jurisdiction	20,000	9,214	(10,786)
Motor vehicle rental - City	1,100,000	966,351	(133,649)
Motor vehicle rental - Police Jurisdiction	50,000	65,018	15,018
Selective sales and use			
Motor fuel			
Regular - City	2,250,000	2,206,550	(43,450)
Regular - Police Jurisdiction	800,000	630,880	(169,120)
County equalization	450,000	416,115	(33,885)
Alcoholic beverages			
Liquor - City	480,000	454,613	(25,387)
Liquor - Police Jurisdiction	26,710	21,691	(5,019)
Liquor - ABC Board	261,800	195,745	(66,055)
Table Wine	153,961	168,039	14,078
Beer	1,231,792	1,191,546	(40,246)
Other			
Cigarette stamp tax	2,350,000	2,200,090	(149,910)
Other tobacco tax - City	418,000	381,459	(36,541)
Other tobacco tax - Police Jurisdiction	50,000	29,933	(20,067)
Other tax revenue	30,000	1,400	(28,600)
Total taxes	<u>140,694,242</u>	<u>139,700,571</u>	<u>(993,671)</u>
Licenses and permits			
Business licenses - City	30,100,000	30,705,977	605,977
Business licenses - Police Jurisdiction	2,412,000	2,288,440	(123,560)
Motor vehicle licenses	610,000	662,345	52,345
Dog licenses	36,000	28,529	(7,471)
Total licenses and permits	<u>33,158,000</u>	<u>33,685,291</u>	<u>527,291</u>
Intergovernmental			
Alcoholic Beverage Control Board	-	76,511	76,511
Financial excise tax	100,000	147,964	47,964
Oil and gas tax	62,000	70,435	8,435
Mobile County Racing Commission	35,000	148,732	113,732
Total intergovernmental	<u>197,000</u>	<u>443,642</u>	<u>246,642</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND (CONT'D)
SEPTEMBER 30, 2012

	Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 36,000	\$ 31,494	\$ (4,506)
Building demolition fee	36,000	60,610	24,610
Animal shelter	8,400	13,840	5,440
City sexton	-	23,115	23,115
Public safety			
Inspection	1,400,000	1,027,664	(372,336)
Fire plan review fee	36,000	29,475	(6,525)
Police and fire	590,000	552,250	(37,750)
Engineering	182,332	296,647	114,315
Parking management fees	300,000	261,447	(38,553)
County sales tax collection fee	2,425,000	2,419,819	(5,181)
Property rental	36,000	36,778	778
Franchise fees - miscellaneous	2,200,000	2,696,957	496,957
Recreational fees	405,000	421,418	16,418
Landfill	400,000	111,423	(288,577)
Total charges for services	<u>8,054,732</u>	<u>7,982,937</u>	<u>(71,795)</u>
Fines and forfeitures			
Municipal offense fines	125,000	100,624	(24,376)
Police fines	1,650,000	1,514,514	(135,486)
Driver's education	375,000	307,908	(67,092)
Bond forfeitures	75,000	32,200	(42,800)
Court costs	425,000	380,067	(44,933)
DA Restitution Unit collection fees	136,000	129,189	(6,811)
Corrections fund	1,150,000	1,095,263	(54,737)
Alarm ordinance fines and permits	20,000	27,700	7,700
Probation fee from court	(219,419)	275,685	495,104
City drug testing	(756,000)	417,598	1,173,598
Other fees	(35,925)	84,919	120,844
Total fines and forfeitures	<u>2,944,656</u>	<u>4,365,667</u>	<u>1,421,011</u>
State and federal assistance	-	18,514,863	18,514,863
Interest			
Investment of idle funds	75,000	80,387	5,387
Interest on receivables	145,000	164,798	19,798
Total interest	<u>220,000</u>	<u>245,185</u>	<u>25,185</u>
Miscellaneous			
Law enforcement revenues	-	376,490	376,490
Athletic fund	-	45,122	45,122
Miscellaneous	150,000	491,892	341,892
Total miscellaneous (other)	<u>150,000</u>	<u>913,504</u>	<u>763,504</u>
Total revenues	<u>\$ 185,418,630</u>	<u>\$ 205,851,660</u>	<u>\$ 20,433,030</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budget	Actual	Variance Positive/ (Negative)
Other financing sources			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 600,000	\$ 600,000	\$ -
From 7-cent Gasoline Tax Special Revenue Fund	(300,000)	(274,076)	25,924
From Fuel Inspection Fees Special Revenue Fund	84,000	80,068	(3,932)
From Strategic Plan Fund	3,092,272	3,092,272	-
From Capital Projects Fund	-	313,228	313,228
From WAVE Transit	-	3,082,410	3,082,410
Total operating transfers in	<u>3,476,272</u>	<u>6,893,902</u>	<u>3,417,630</u>
Sales of general capital assets	2,400	13,123	10,723
Total other financing sources	<u>3,478,672</u>	<u>6,907,025</u>	<u>3,428,353</u>
Other financing uses			
Operating transfers out:			
To Mobile Civic Center Enterprise Fund	1,029,446	1,102,228	72,782
To Capital Improvement Fund	-	648,000	648,000
To Metro Transit Enterprise Fund	5,345,577	7,195,086	1,849,509
To Firemedics Enterprise Fund	3,573,390	3,573,390	-
To Mobile Tennis Center Enterprise Fund	563,569	390,748	(172,821)
To Insurance Internal Service Fund	2,700,000	1,489,240	(1,210,760)
To Employee Health Plan Internal Service Fund	7,162,162	7,162,200	38
Total operating transfers out	<u>20,374,144</u>	<u>21,560,892</u>	<u>1,186,748</u>
Total other financing sources (uses)	<u>\$ (16,895,472)</u>	<u>\$ (14,653,867)</u>	<u>\$ 2,241,605</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY SOURCE
SEPTEMBER 30, 2012

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental activities capital assets			
Land	\$ 27,344,382	\$ -	\$ 27,344,382
Buildings	71,999,933	28,175,345	43,824,588
Improvements other than buildings	115,450,281	40,257,613	75,192,668
Vehicular equipment	58,341,753	40,691,915	17,649,838
Other equipment	44,349,119	34,824,726	9,524,393
Infrastructure	493,514,176	104,688,263	388,825,913
Infrastructure-in-progress	16,696,045	-	16,696,045
Intangible assets	3,279,053	-	3,279,053
Construction-in-progress	51,318,406	-	51,318,406
Total governmental activities	<u>\$ 882,293,148</u>	<u>\$ 248,637,862</u>	<u>\$ 633,655,286</u>
Investment in governmental activities			
General obligation warrants	\$ 97,142,563	\$ 29,295,694	\$ 67,846,869
General grants and other	89,676,930	15,155,561	74,521,369
Revenue sharing	926,995	697,219	229,776
Capital improvements	357,630,093	117,368,708	240,261,385
General fund	7,818,886	5,121,891	2,696,995
Internal service funds	35,866,696	27,262,520	8,604,176
Special revenue funds	55,701,566	14,647,726	41,053,840
Intangible assets	3,279,053	-	3,279,053
Gifts	234,250,366	39,088,543	195,161,823
Total investment in governmental activities	<u>\$ 882,293,148</u>	<u>\$ 248,637,862</u>	<u>\$ 633,655,286</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION
SEPTEMBER 30, 2012

	<u>Land</u>	<u>Improvements</u>
General government	\$ 24,037,245	\$ 63,852,927
Economic development	-	-
Public safety	419,850	7,539,500
Public works	75,715	1,907,840
Culture and recreation	1,124,972	40,446,877
Finance	-	3,457
Nondepartmental	<u>1,686,600</u>	<u>1,699,680</u>
Total governmental capital assets allocated to functions	<u>\$ 27,344,382</u>	<u>\$ 115,450,281</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>
\$ 24,134,773	\$ 35,727,579	\$ 494,407,968	\$ 642,160,492
-	8,343	-	8,343
16,252,841	31,009,058	-	55,221,249
1,428,858	18,481,424	-	21,893,837
27,615,798	3,198,546	-	72,386,193
-	5,026,412	-	5,029,869
<u>2,567,663</u>	<u>9,239,510</u>	<u>2,385,261</u>	<u>17,578,714</u>
<u>\$ 71,999,933</u>	<u>\$ 102,690,872</u>	<u>\$ 496,793,229</u>	814,278,697
			51,318,406
			<u>16,696,045</u>
			882,293,148
			<u>248,637,862</u>
			<u>\$ 633,655,286</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Interest Rate Percent	Interest Payment Dates	Issue Dates	Final Maturity Date
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	12/9/09	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, 2011	Year Ended September 30, 2012 Issued	Year Ended September 30, 2012 Retirements	Balance September 30, 2012	Interest for Year Ended September 2012
Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000	\$ 10,655,000	\$ 8,070,000	\$ -	\$ 500,000	\$ 7,570,000	\$ 424,460
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	53,285,000	-	2,400,000	50,885,000	2,529,875
Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000	3,100,000	1,735,000	-	315,000	1,420,000	74,588
Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000	57,000,000	57,000,000	-	-	57,000,000	2,492,900
Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000	69,295,000	69,295,000	-	3,160,000	66,135,000	3,066,163
Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000	22,095,000	22,095,000	-	715,000	21,380,000	1,149,816
Semi-annual interest payments with annual principal payments ranging from \$137,016 to \$147,878	569,000	147,815	-	147,815	-	5,673
Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000	56,380,000	56,380,000	-	470,000	55,910,000	2,749,650
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	1,443,130	-	391,251	1,051,879	37,020
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	424,129
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$200,000	2,000,000	200,000	-	200,000	-	9,320
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	925,000	-	60,000	865,000	51,611
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000	1,410,000	690,000	-	95,000	595,000	44,661
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000	1,440,000	775,000	-	85,000	690,000	50,541
Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000	2,695,000	2,140,000	-	120,000	2,020,000	115,933
0	<u>\$ 330,234,000</u>	<u>\$ 311,090,945</u>	<u>\$ -</u>	<u>\$ 8,659,066</u>	<u>\$ 302,431,879</u>	<u>\$ 14,637,756</u>



SAMUEL L. JONES
MAYOR

Part III Statistical Section

CITY OF MOBILE, ALABAMA

STATISTICAL SECTION

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

Contents	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	135
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	149
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	159
Demographic and Economic Information	
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Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	171

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>2012</u>	Restated <u>2011</u>	Restated <u>2010</u>	Restated <u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 360,178,198	\$ 350,323,247	\$ 352,295,866	\$ 360,784,525
Restricted	97,600,533	95,803,612	92,363,209	82,012,164
Unrestricted	<u>(126,055,943)</u>	<u>(90,121,806)</u>	<u>(81,290,372)</u>	<u>(62,583,863)</u>
Total governmental activities net assets	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>	<u>\$ 363,368,703</u>	<u>\$ 380,212,826</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 101,478,517	\$ 102,867,788	\$ 105,870,417	\$ 104,970,172
Unrestricted	<u>4,634,952</u>	<u>6,145,132</u>	<u>5,217,216</u>	<u>(1,392,389)</u>
Total business-type activities net assets	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>	<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>
Primary government				
Invested in capital assets, net of related debt	\$ 461,656,715	\$ 453,191,035	\$ 458,166,283	\$ 465,754,697
Restricted	97,600,533	95,803,612	92,363,209	82,012,164
Unrestricted	<u>(121,420,991)</u>	<u>(83,976,674)</u>	<u>(76,073,156)</u>	<u>(63,976,252)</u>
Total primary government net assets	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>	<u>\$ 474,456,336</u>	<u>\$ 483,790,609</u>

Restated	Restated	Restated	Restated	Restated	Restated
2008	2007	2006	2005	2004	2003
\$ 165,220,265	\$ 268,805,699	\$ 209,514,867	\$ 216,935,303	\$ 197,814,817	\$ 182,995,270
163,913,530	67,707,443	90,373,307	54,084,675	50,527,976	47,611,601
<u>2,166,159</u>	<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>\$ 331,299,954</u>	<u>\$ 347,249,551</u>	<u>\$ 316,276,415</u>	<u>\$ 276,616,956</u>	<u>\$ 248,312,690</u>	<u>\$ 226,070,976</u>
\$ 108,695,419	\$ 92,821,853	\$ 93,845,147	\$ 94,654,880	\$ 93,570,979	\$ 97,229,101
<u>(1,354,221)</u>	<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>\$ 107,341,198</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>
\$ 273,915,684	\$ 361,627,552	\$ 303,360,014	\$ 311,590,183	\$ 291,385,796	\$ 280,224,371
163,913,530	67,707,443	90,373,307	54,084,675	50,527,976	47,611,601
<u>811,938</u>	<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>\$ 438,641,152</u>	<u>\$ 436,784,059</u>	<u>\$ 408,511,437</u>	<u>\$ 370,442,216</u>	<u>\$ 346,455,911</u>	<u>\$ 327,729,757</u>

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

	2012	Restated 2011	Restated 2010	Restated 2009
Expenses				
Governmental activities:				
General government	\$ 74,952,084	\$ 82,670,334	\$ 84,138,439	\$ 98,695,339
Economic development	975,841	1,299,046	2,802,701	1,429,622
Public safety	109,210,514	108,344,311	101,844,933	107,158,818
Public works	42,860,205	43,316,969	44,867,891	45,892,056
Culture and recreation	23,928,393	25,262,720	19,665,980	20,373,562
Finance	5,325,800	5,509,037	5,791,514	6,823,212
Nondepartmental	-	-	-	-
Interest on long-term debt	14,880,418	15,119,170	14,120,058	15,717,193
Total governmental activities net assets	<u>272,133,255</u>	<u>281,521,587</u>	<u>273,231,516</u>	<u>296,089,802</u>
Business-type activities:				
Alabama Cruise Terminal	1,045,826	3,689,985	527,408	415,494
Civic Center	3,523,551	3,758,785	4,506,235	3,685,566
Convention Center	8,415,212	9,800,672	8,977,037	10,981,125
Golf course	1,428,306	1,619,823	1,452,509	1,518,478
Firemedics	6,385,225	6,113,101	5,430,599	5,478,439
Parking garage	280,776	251,674	275,939	270,307
Tennis Center	602,193	612,999	560,212	509,708
Affordable homes program	25,141	16,710	5,143	7,875
WAVE Transit	12,369,217	11,579,865	10,620,087	10,812,366
Total business-type activities net assets	<u>34,075,447</u>	<u>37,443,614</u>	<u>32,355,169</u>	<u>33,679,358</u>
Total primary government expenses	<u>\$ 306,208,702</u>	<u>\$ 318,965,201</u>	<u>\$ 305,586,685</u>	<u>\$ 329,769,160</u>

Restated	Restated	Restated	Restated	Restated	Restated
2008	2007	2006	2005	2004	2003
\$ 49,310,958	\$ 25,688,828	\$ 25,254,679	\$ 24,452,166	\$ 21,644,715	\$ 19,229,493
984,354	1,011,217	749,116	881,185	866,762	2,795,934
84,761,044	79,092,490	72,728,165	69,825,747	65,977,916	66,273,267
40,955,090	34,964,378	33,730,335	31,860,023	29,415,975	27,897,415
22,191,802	15,418,136	13,666,917	13,964,452	11,905,849	9,695,397
5,273,774	5,363,060	5,220,066	4,886,293	3,947,068	3,948,490
-	40,980,936	44,605,075	45,014,275	28,836,268	28,163,680
36,120,233	9,879,154	8,310,320	8,856,242	8,851,566	9,041,529
<u>239,597,255</u>	<u>212,398,199</u>	<u>204,264,673</u>	<u>199,740,383</u>	<u>171,446,119</u>	<u>167,045,205</u>
-	-	-	-	-	-
4,134,371	3,833,788	3,882,027	3,664,294	3,774,381	3,960,368
9,921,621	9,240,980	7,842,320	7,997,931	6,663,265	5,454,468
1,302,813	1,371,130	1,347,414	1,262,802	1,149,487	1,108,755
5,632,700	4,473,192	4,265,886	4,099,539	3,741,557	3,375,538
264,875	243,425	247,879	463,143	279,366	288,411
542,698	546,246	494,000	426,896	432,122	382,228
16,295	10,864	11,223	31,865	16,045	17,240
10,244,202	9,445,274	9,144,479	8,168,928	7,040,061	6,726,593
<u>32,059,575</u>	<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>\$ 271,656,830</u>	<u>\$ 241,563,098</u>	<u>\$ 231,499,901</u>	<u>\$ 225,855,781</u>	<u>\$ 194,542,403</u>	<u>\$ 188,358,806</u>

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

	2012	2011	2010	2009
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 48,142,712	\$ 49,664,462	\$ 49,218,621	\$ 13,394,552
Public safety	5,652,106	5,769,616	5,931,428	41,261,597
Public works	296,647	306,793	325,592	267,731
Culture and recreation	458,196	412,487	453,870	537,176
Operating grants and contributions	5,984,128	5,595,180	12,691,226	1,938,788
Capital grants and contributions	14,496,855	6,957,112	4,520,212	4,647,220
Total governmental activities program revenues	<u>75,030,644</u>	<u>68,705,650</u>	<u>73,140,949</u>	<u>62,047,064</u>
Business-type activities:				
Charges for services				
Alabama Cruise Terminal	291,867	5,709,263	2,579,507	1,058,523
Civic Center	1,938,375	2,188,484	2,094,485	1,754,181
Convention Center	1,902,004	3,231,603	4,766,976	3,576,172
Golf course	1,348,748	1,341,283	1,340,499	1,509,422
Firemedics	2,927,822	2,794,810	2,487,710	2,425,990
Parking garage	414,799	417,518	408,137	411,804
Tennis Center	211,361	214,112	161,321	78,687
Affordable homes program	-	71,967	-	-
WAVE Transit	984,645	1,021,023	1,086,131	1,027,542
Operating grants and contributions	2,429,300	354,918	7,789,433	3,330,363
Capital grants and contributions	4,142,259	4,233,881	-	-
Total business-type activities program revenues	<u>16,591,180</u>	<u>21,578,862</u>	<u>22,714,199</u>	<u>15,172,684</u>
Total primary government program revenues	<u>\$ 91,621,824</u>	<u>\$ 90,284,512</u>	<u>\$ 95,855,148</u>	<u>\$ 77,219,748</u>
Net Expense				
Governmental activities	\$ (197,102,611)	\$(212,815,937)	\$(200,090,567)	\$(234,042,738)
Business-type activities	(17,484,267)	(15,864,752)	(9,640,970)	(18,506,674)
Total primary government net expense	<u>\$ (214,586,878)</u>	<u>\$ (228,680,689)</u>	<u>\$ (209,731,537)</u>	<u>\$ (252,549,412)</u>

Restated	Restated	Restated	Restated	Restated	Restated
2008	2007	2006	2005	2004	2003
\$ 9,056,023	\$ 9,357,220	\$ 9,738,673	\$ 8,559,445	\$ 7,501,714	\$ 6,866,737
41,289,992	43,238,905	39,537,888	35,693,676	33,474,098	31,868,172
277,672	261,901	233,358	241,089	241,330	232,441
516,332	488,084	503,998	421,705	484,650	530,574
5,189,084	4,611,096	2,259,958	1,312,445	1,800,444	2,222,375
3,180,406	2,849,792	10,452,699	12,160,117	4,302,290	3,207,269
<u>59,509,509</u>	<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>
202,671	-	-	-	-	-
2,200,886	1,886,225	1,927,101	1,781,537	1,857,264	2,013,122
3,169,704	1,626,680	1,438,348	1,582,472	1,095,902	1,096,499
1,423,508	1,436,369	1,433,407	1,248,908	1,103,880	1,184,329
2,299,286	1,935,848	1,783,517	1,589,705	1,230,873	2,042,130
475,082	315,206	332,442	270,805	295,248	277,674
76,195	71,577	72,256	64,550	71,603	71,692
-	-	2,515	42,033	30,950	29,292
1,099,053	1,001,989	960,770	826,705	947,123	1,291,535
3,667,452	189,500	-	190,775	782,380	317,138
82,935	2,463,690	3,187,170	7,069,778	2,954,854	7,764,261
<u>14,696,772</u>	<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>\$ 74,206,281</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>
\$(180,087,746)	\$(151,591,201)	\$(141,538,099)	\$(141,351,906)	\$(123,641,593)	\$(122,117,637)
(17,362,803)	(18,237,815)	(16,097,702)	(11,448,130)	(12,726,207)	(5,225,929)
<u>\$(197,450,549)</u>	<u>\$(169,829,016)</u>	<u>\$(157,635,801)</u>	<u>\$(152,800,036)</u>	<u>\$(136,367,800)</u>	<u>\$(127,343,566)</u>

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

	Restated	Restated	Restated	
	2012	2011	2010	
	2012	2011	2010	
	2009			
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Real and personal property tax	\$ 16,262,921	\$ 16,093,899	\$ 16,077,830	\$ 15,969,310
Sales tax	133,215,345	163,405,226	141,825,022	132,218,742
Gross receipt sales tax	-	-	-	-
Gasoline tax	9,680,455	10,115,711	10,213,140	7,735,285
Room tax	5,003,180	5,092,514	6,040,106	4,795,120
Beer and liquor tax	2,031,634	2,005,816	2,196,467	2,137,149
Rental and leasing tax	6,309,404	6,080,474	5,699,115	4,104,708
Cigarette stamp tax	2,200,090	2,234,211	2,370,001	2,253,663
Other tobacco tax	411,392	459,774	462,814	455,907
Financial excise tax	147,964	77,098	79,224	1,320,726
Other tax revenue	71,835	114,016	105,055	4,554,032
Investment earnings	283,034	337,496	301,434	1,009,662
Other	1,409,680	3,122,939	2,239,320	6,298,450
Capital contributions	-	-	2,417,423	105,130,798
Transfers	(4,206,588)	(3,686,887)	(6,780,507)	(5,027,942)
Total governmental activities	<u>172,820,346</u>	<u>205,452,287</u>	<u>183,246,444</u>	<u>282,955,610</u>
Business-type activities				
Taxes:				
Sales tax	8,715,107	8,395,672	8,378,986	7,974,021
Gross receipts sales tax	-	-	-	-
Room tax	1,662,898	1,685,196	1,997,710	1,568,826
Investment earnings	223	4,576	3,321	16,563
Other	-	17,708	(9,704)	155,907
Transfers	4,206,588	3,686,887	6,780,507	5,027,942
Total business-type activities	<u>14,584,816</u>	<u>13,790,039</u>	<u>17,150,820</u>	<u>14,743,261</u>
Total primary government	<u>\$ 187,405,162</u>	<u>\$ 219,242,326</u>	<u>\$ 200,397,264</u>	<u>\$ 297,698,869</u>
Changes in Net Assets				
Governmental activities	\$ (24,282,265)	\$ (7,363,650)	\$ (16,844,123)	\$ 48,912,872
Business-type activities	<u>(2,899,451)</u>	<u>(2,074,713)</u>	<u>7,509,850</u>	<u>(3,763,415)</u>
Total primary government net expense	<u>\$ (27,181,716)</u>	<u>\$ (9,438,363)</u>	<u>\$ (9,334,273)</u>	<u>\$ 45,149,457</u>

Restated	Restated	Restated	Restated	Restated	Restated
2008	2007	2006	2005	2004	2003
\$ 14,938,843	\$ 13,200,779	\$ 12,834,026	\$ 12,514,663	\$ 11,483,033	\$ 11,250,105
140,470,973	135,345,733	142,430,882	125,670,947	110,299,805	-
-	-	-	-	-	106,370,132
7,775,814	10,020,374	10,054,815	10,240,950	9,576,652	9,773,049
5,239,745	4,689,885	4,883,060	4,038,979	2,147,609	2,035,015
2,027,597	1,933,147	2,000,960	1,851,427	1,738,397	1,446,190
4,430,951	6,638,181	6,573,934	5,817,366	5,312,377	6,019,106
2,188,771	2,229,154	2,250,584	2,306,408	2,305,187	771,869
434,014	444,534	461,272	387,780	305,632	-
4,264,065	1,286,414	1,681,486	676,323	1,359,800	334,239
-	149,249	185,176	156,916	138,824	129,902
3,150,149	4,658,748	2,914,890	1,224,720	572,095	1,300,571
5,550,454	5,086,335	1,688,182	4,941,870	3,773,696	2,125,914
-	4,693,831	-	-	-	-
(26,333,227)	(7,812,027)	(6,761,709)	(172,177)	(3,129,800)	329,733
<u>164,138,149</u>	<u>182,564,337</u>	<u>181,197,558</u>	<u>169,656,172</u>	<u>145,883,307</u>	<u>141,885,825</u>
7,354,647	6,285,253	6,255,350	5,574,203	5,105,314	-
-	-	-	-	-	4,888,988
1,586,408	1,405,841	1,438,130	1,284,105	962,656	914,858
59,405	34,180	40,239	29,506	12,877	17,570
(164,194)	-	12,036	70,178	-	-
26,333,227	7,812,027	6,761,709	172,177	3,129,800	(329,733)
<u>35,169,493</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>\$ 199,307,642</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>
\$ (15,949,597)	\$ 30,973,136	\$ 39,659,459	\$ 28,304,266	\$ 22,241,714	\$ 19,768,188
17,806,690	(2,700,514)	(1,590,238)	(4,317,961)	(3,515,560)	265,754
<u>\$ 1,857,093</u>	<u>\$ 28,272,622</u>	<u>\$ 38,069,221</u>	<u>\$ 23,986,305</u>	<u>\$ 18,726,154</u>	<u>\$ 20,033,942</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>
2012	\$ 16,262,921	\$ 133,215,345	\$ 9,680,455	\$ 5,003,180	\$ 2,031,634
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

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>
\$	6,309,404	\$ 2,611,482	\$ 1,400	\$ 147,964	\$ 70,435	\$ 175,334,220
	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	32,047	1,320,726	4,521,985	175,544,642
	4,430,951	2,622,785	36,470	-	4,227,595	181,770,773
	6,638,181	2,673,688	35,212	1,286,414	118,514	175,941,927
	6,573,934	2,711,856	30,735	1,681,486	145,708	183,347,462
	5,817,366	2,694,188	39,468	676,323	112,828	163,657,139
	5,312,377	2,610,819	44,088	1,359,800	99,429	144,672,009
	6,019,106	771,869	39,395	-	-	137,704,861

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General fund				
Reserved	\$ -	\$ -	\$ 5,435,439	\$ 5,752,801
Unreserved	-	-	8,444,256	(1,266,959)
Nonspendable	3,264,694	3,379,640	-	-
Restricted	2,848,846	4,547,386	-	-
Assigned	2,355,302	2,804,615	-	-
Unassigned	11,371,036	24,722,193	-	-
Total general fund	<u>\$ 19,839,878</u>	<u>\$ 35,453,834</u>	<u>\$ 13,879,695</u>	<u>\$ 4,485,842</u>
All other governmental funds				
Reserved	-	-	14,696,034	10,882,881
Restricted	29,337,505	38,546,027	-	-
Committed	11,107,307	5,746,043	-	-
Assigned	28,770,798	30,467,472	-	-
Unassigned	-	(6,599)	-	-
Total other governmental funds	<u>69,215,610</u>	<u>74,752,943</u>	<u>14,696,034</u>	<u>10,882,881</u>
Unreserved, reported in:				
Capital projects funds	-	-	64,892,359	59,856,507
Debt service funds	-	-	3,494,130	3,367,695
Total all other governmental funds	<u>\$ 69,215,610</u>	<u>\$ 74,752,943</u>	<u>\$ 83,082,523</u>	<u>\$ 74,107,083</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 5,832,499	\$ 5,205,071	\$ 4,689,693	\$ 5,174,935	\$ 3,882,731	\$ 2,971,512
11,035,656	12,993,274	18,402,448	11,796,629	6,097,162	4,210,595
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,868,155</u>	<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>
10,510,041	11,622,558	5,793,041	5,520,833	2,697,375	2,571,322
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,510,041</u>	<u>11,622,558</u>	<u>5,793,041</u>	<u>5,520,833</u>	<u>2,697,375</u>	<u>2,571,322</u>
92,514,133	56,428,126	72,006,529	42,678,174	43,412,545	45,369,844
3,338,317	2,688,293	2,400,188	1,433,489	1,369,219	1,283,533
<u>\$ 106,362,491</u>	<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>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes	\$ 175,115,820	\$ 207,431,270	\$ 186,728,761	\$ 174,810,707
Licenses and permits	36,427,112	35,853,964	35,887,762	37,000,838
Intergovernmental	443,642	245,581	199,992	1,548,996
Charges for services	8,260,051	8,559,708	8,184,608	8,167,239
Fines and forfeitures	4,365,667	4,468,316	4,724,902	4,691,317
State and federal assistance	20,151,236	12,530,527	17,168,956	6,502,302
Assessments	-	526	-	-
Interest	283,035	324,573	301,811	1,056,562
Other	1,418,460	7,297,106	2,244,211	5,608,303
Total revenues	<u>246,465,023</u>	<u>276,711,571</u>	<u>255,441,003</u>	<u>239,386,264</u>
Expenditures				
General government	16,672,894	17,319,848	17,244,146	18,919,217
Economic development	801,029	943,489	946,081	1,008,755
Public safety	79,899,320	78,453,950	79,674,151	86,342,817
Public works	34,990,667	36,523,540	36,745,281	37,334,095
Culture and recreation	13,396,491	14,293,565	14,696,416	15,154,032
Finance	4,672,001	4,703,808	4,829,821	5,010,643
Nondepartmental	59,413,866	51,280,489	58,242,547	40,363,981
Capital outlay	21,907,267	32,327,434	22,269,823	45,338,810
Debt service				
Principal	8,749,175	7,301,694	7,104,607	12,020,851
Interest and fees	14,268,697	14,692,483	13,478,392	14,440,851
Total expenditures	<u>254,771,407</u>	<u>257,840,300</u>	<u>255,231,265</u>	<u>275,934,052</u>
Excess of revenue over (under) expenditures	<u>(8,306,384)</u>	<u>18,871,271</u>	<u>209,738</u>	<u>(36,547,788)</u>
Other Financing Sources (Uses)				
Proceeds from borrowing	-	15,334,069	84,775,000	569,000
Proceeds (payment) from refunding	-	-	-	-
Payment to refunding bond escrow agent	-	(10,657,242)	(58,207,259)	-
Transfers in	30,456,574	28,985,202	32,058,663	32,984,026
Transfers out	(43,314,602)	(39,249,373)	(42,116,454)	(41,718,561)
Insurance recoveries	-	1,559	2,113	-
Premiums (discounts) on bonds issued	-	-	2,287,511	-
Bond Issuance Cost	-	(57,750)	(643,350)	-
Sale of general fixed assets	13,123	16,822	3,331	75,602
Total other financing sources (uses)	<u>(12,844,905)</u>	<u>(5,626,713)</u>	<u>18,159,555</u>	<u>(8,089,933)</u>
Net change in fund balance	<u>\$ (21,151,289)</u>	<u>\$ 13,244,558</u>	<u>\$ 18,369,293</u>	<u>\$ (44,637,721)</u>
Debt service as a percentage of noncapital expenditures	10.31 %	9.80 %	8.82 %	11.48 %

	2008	2007	2006	2005	2004	2003
\$	181,770,773	\$ 174,536,999	\$ 181,520,268	\$ 162,867,988	\$ 143,212,780	\$ 137,704,861
	36,321,711	34,637,574	31,928,461	29,365,388	27,454,522	26,656,919
	539,578	1,730,873	2,242,992	1,076,162	1,733,778	728,280
	9,850,027	9,764,293	9,722,612	8,691,951	8,822,692	6,371,405
	4,968,281	4,547,176	3,573,552	3,177,332	3,377,271	3,573,210
	8,306,569	7,460,888	12,712,656	13,472,562	6,102,734	5,429,644
	-	-	-	-	-	-
	3,150,147	4,786,183	2,914,890	1,224,720	549,682	888,848
	4,575,337	4,652,330	1,481,766	4,287,774	3,342,784	1,621,789
	<u>249,482,423</u>	<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>
	16,774,235	15,156,729	14,781,181	14,382,821	13,397,019	11,665,659
	903,138	996,402	714,758	800,771	818,305	886,056
	84,463,292	75,746,232	69,966,349	67,849,441	64,386,318	64,444,891
	36,655,722	33,982,373	32,858,243	31,394,476	28,890,302	27,427,242
	13,191,508	12,830,294	11,331,104	11,215,110	10,519,569	8,400,232
	4,597,974	4,395,742	4,295,572	4,112,383	3,890,413	3,911,753
	46,884,800	46,938,096	51,929,138	46,402,180	39,403,235	41,032,941
	46,840,175	36,810,657	20,300,611	21,688,401	16,977,026	22,443,462
	46,944,636	12,556,427	13,261,003	9,364,428	8,437,064	11,684,709
	36,120,233	9,637,487	8,887,309	8,643,848	8,537,613	8,914,939
	<u>333,375,713</u>	<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>(83,893,290)</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>
	148,390,000	3,930,000	1,800,000	2,763,710	5,925,000	3,622,429
	-	-	63,410,000	-	-	-
	-	-	(37,722,873)	-	-	-
	56,126,848	41,185,247	44,794,015	48,194,093	49,313,834	44,985,268
	(86,780,999)	(53,102,723)	(55,805,630)	(51,744,152)	(51,992,311)	(47,150,658)
	448,534	564,370	1,166,236	-	-	-
	-	-	1,190,117	-	-	-
	-	-	-	-	-	-
	2,233	2,652	84,045	44,359	43,324	27,399
	<u>118,186,616</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>34,293,326</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>
	28.99 %	10.61 %	10.95 %	9.61 %	9.73 %	11.87 %

**CITY OF MOBILE, ALABAMA
VALUE OF TAXABLE SALES
LAST NINE¹ FISCAL YEARS**

Fiscal Year Ended September 30	Value of Taxable Sales- General Sales Tax (in millions)	Direct Tax Rate- General Sales Tax
2012	\$ 3,309	4.0%
2011	2,769	5.0%
2010	2,853	4.0%
2009	2,728	4.0%
2008	2,910	4.0%
2007	2,166	4.0%
2006	2,152	4.0%
2005	2,062	4.0%
2004	1,813	4.0%

¹Only years available

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

Fiscal Year	City of Mobile ²					City of Mobile Police Jurisdiction ³				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2012	4.000%	2.000%	2.000%	2.000%	4.000%	2.000%	1.000%	1.000%	1.000%	2.000%
2011	5.000%	2.000%	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%

Source: Alabama Department of Revenue

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

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

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

Overlapping Rates

Mobile County					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%	5.000%	2.500%	3.000%	3.000%	5.000%
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%	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	2012		2003	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	2.74%	4	1.84%
Wal-Mart #853	2	2.53%	3	1.95%
Sams Wholesale	3	2.05%	2	2.04%
Wal-Mart #991	4	2.03%	1	2.88%
Target	5	1.22%		
Lowe's #549	6	1.01%		
Lowe's #212	7	0.98%	7	
Lowe's Home Center	8	0.98%		
Best Buy #340	9	0.97%	9	0.98%
Academy Sports	10	0.91%		
Sears			5	1.40%
McConnell Auto			10	0.95%
Dillard's			6	1.30%
McRae's			8	1.05%
Totals		<u><u>15.42%</u></u>		<u><u>15.59%</u></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	
2012	\$ 595,089,140	\$ 1,162,088,560	\$ 246,543,060	\$ 337,826,540	\$ 65,707,640
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

Source: Mobile County Revenue Commissioner

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

¹Includes tax-exempt property.

	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value¹ as a Percentage of Actual Value</u>	
\$	2,275,839,660	7 mills	\$ 11,745,392,267	19.94	%
	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	%

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

Fiscal Year	<u>Overlapping Rates</u>			<u>Total Direct & Overlapping Rates</u>
	<u>City of Mobile</u>	<u>County of Mobile</u>	<u>Mobile County School District</u>	
	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Total School Millage</u>	
2012	7	16	29.5	52.5
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

Source: Mobile County Revenue Commissioner

¹Overlapping 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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation
ThyssenKrupp Steel USA LLC	\$ 922,940,940	1	2.45 %			
Alabama Power Company	277,048,480	2	5.22 %	\$ 217,106,600	1	5.20 %
Gulfstream Natural Gas	77,000,000	3	4.85 %			
Florida Gas Transmission	76,748,500	4	4.85 %			
Thyssenkrupp Stainless	118,863,160	5	2.45 %			
SSAB Alabama Inc.	66,506,660	6	4.13 %			
Kimberly-Clark Corporation	40,927,100	7	5.37 %	33,321,400	5	6.14 %
Thomas Properties LLC	43,103,960	8	4.85 %			
Bell South Telecomm Inc DBA AT&T	34,010,500	9	5.81 %	46,247,120	3	5.86 %
Mobile Gas Service Corporation	34,272,000	10	5.75 %	26,911,560	7	5.70 %
IPSCO Steel				51,911,380	2	2.49 %
INEOS Phenol Inc.				34,560,440	4	2.45 %
Degussa-Huls, Inc.				32,803,600	6	4.41 %
International Paper Company				21,199,860	8	5.61 %
Colonial Realty Limited				19,057,100	9	6.00 %
Mobile Energy, LLC				16,917,536	10	4.85 %
Totals	<u>\$ 1,691,421,300</u>		<u>3.46 %</u>	<u>\$ 500,036,596</u>		<u>4.86 %</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
2012	\$ 12,999,487	*	*
2011	13,024,255	\$ 12,302,822	94.46
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

*Data not available

Source: Mobile County Revenue Commissioner

Total Collection to Date

<u>Collection in</u> <u>Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
*	*	*
-	\$ 12,302,822	94.46
-	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

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

Fiscal Year	Governmental Activities			
	General Obligation	Limited Obligation		
	Bonds	Bonds	Notes Payable	Capital Leases
2012	\$ 298,261,879	\$ 7,570,000	\$ 4,170,000	\$ 4,240,411
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

*Data not available

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

¹See the Schedule of Demographic and Economic Statistics on pages 166-167 for personal income and population data.

Business Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
Capital Leases				
\$	362,090	\$ 314,604,380	*	*
	532,314	316,911,053	2.35%	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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2012	\$ 298,261,879	\$ 4,516,268	\$ 293,745,611	2.50 %	712
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

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 153-154 for property value of data.

²Population data can be found in the Schedule of Demographic and Economic Statistics on page 166-167.

**CITY OF MOBILE, ALABAMA
DIRECT AND OVERLAPPING GOVERNMENT DEBT
AS OF SEPTEMBER 30, 2012**

<u>Government Unit</u>	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 518,697,035	42.39%	<u>\$ 219,856,388</u>
Subtotal, overlapping debt			219,856,388
City of Mobile Direct Debt	310,088,112	100 %	<u>310,088,112</u>
Total direct and overlapping debt			<u><u>\$ 529,944,500</u></u>

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

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

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

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

	Fiscal Year			
	2012	2011	2010	2009
Debt Limit	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604	\$ 476,249,112
Less: Total net debt applicable to limit	249,936,851	260,122,205	255,534,378	229,861,239
Legal debt margin	<u>\$ 218,372,609</u>	<u>\$ 209,289,159</u>	<u>\$ 212,747,226</u>	<u>\$ 246,387,873</u>
Total net debt applicable to the limit as a percentage of debt limit	53.4 %	55.4 %	54.6 %	48.3 %
Legal Debt Margin Calculation for Fiscal Year 2012				
Assessed value of real property, September 30, 2012				\$ 1,757,177,700
Assessed value of personal property, September 30, 2012				<u>584,369,600</u>
Total assessed value				<u>\$ 2,341,547,300</u>
Debt Limit (20% of total assessed value)				\$ 468,309,460
Less: Total net debt applicable to limit				<u>249,936,851</u>
Legal debt margin				<u>\$ 218,372,609</u>

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

Excludes general obligation warrants applicable to drainage improvements.

Fiscal Year

	2008	2007	2006	2005	2004	2003
\$	462,473,648	\$ 394,599,712	\$ 373,155,832	\$ 358,670,228	\$ 349,755,824	\$ 325,466,396
	239,875,431	171,439,425	181,386,101	171,891,345	172,289,655	173,130,826
\$	<u>222,598,217</u>	<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>
	51.9 %	43.4 %	48.6 %	47.9 %	49.3 %	53.2 %

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

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
		Principal	Interest
2012	\$ 2,532,414	\$ 500,000	\$ 424,460
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	¹	545,305
2004	960,200	¹	545,296
2003	760,616	¹	545,430

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

¹No principal payments were scheduled in this period.

**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>
2012	412,577	*	*
2011	413,462	13,500	32,651
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

*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>
37.2	High School Graduate	59,821	8.7%
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%

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

Taxpayer	2012			2003		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,550	1	4.34 %	8,590	1	4.35 %
USA School and Medical Facilities	5,500	2	3.16 %	5,120	3	2.59 %
Infirmiry Health Systems	5,080	3	2.92 %	4,950	2	2.51 %
Austal USA	3,200	4	1.84 %			
WalMart	2,500	5	1.44 %	2,500	4	1.27 %
City of Mobile	2,200	6	1.26 %	2,100	5	1.06 %
Providence	1,930	7	1.11 %	2,620	6	1.33 %
County of Mobile	1,570	8	0.90 %	1,662	7	0.84
ThyssenKrupp Steel	1,550	9	0.89 %			
ST Aerospace Mobile	1,500	10	0.86 %			
Springhill Medical Center				1,170	8	0.59 %
West Teleservices				1,015	9	0.51 %
U.S. Coast Guard				950	10	0.48 %
Totals	<u>32,580</u>		<u>18.72 %</u>	<u>30,677</u>		<u>15.53 %</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>2012</u>	<u>2011</u>	<u>2010*</u>	<u>2009</u>	<u>2008</u>
Function					
General government	195	197	190	197	189
Economic development	12	13	14	13	12
Public safety	1,546	1,374	1,327	1,312	1,307
Public works	564	581	576	575	553
Cultural and recreation	383	306	303	317	294
Finance	91	96	93	91	88
Golf course	26	21	20	28	28
Firemedics	74	71	71	66	61
Tennis Center	13	8	10	10	10
Motor Pool	2	3	3	3	3
Total	<u>2,906</u>	<u>2,670</u>	<u>2,607</u>	<u>2,612</u>	<u>2,545</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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
196	184	173	173	179
13	7	10	12	16
1,273	1,178	1,190	1,212	1,200
585	512	547	582	583
325	323	276	288	287
91	90	87	88	86
17	27	30	28	25
59	58	60	57	52
7	11	11	10	12
<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>2,569</u>	<u>2,393</u>	<u>2,387</u>	<u>2,453</u>	<u>2,443</u>

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST SEVEN¹ FISCAL YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
General Government							
Urban Development							
Service request orders	16,819	14,546	14,901	12,374	10,525	12,264	10,887
Municipal offense tickets	2,557	1,875	2,023	1,722	1,883	1,811	1,550
Inspections/investigations	63,213	82,961	76,510**	-	48,626	57,494	50,838
Plan reviews	5,363	4,303	3,315	5,191	6,094	3,576	3,720
Plan reviews-right of way	2,401	2,628	2,293	2,850	3,238	3,815	*
Notice of violations	6,112	7,152	7,974	6,292	6,735	5,820	*
Permits	12,782	13,640	16,384	11,787	13,808	16,940	16,871
Certificate of Occupancy	367	643	458	560	507	793	290
PC/BOA applications	587	451	483	700	1,282	1,260	608
Tree commission applications	18	17	25	27	16	29	40
Complete nuisance abatement cases	49	151	63	39	26	35	20
Complete weed abatement cases	320	680	540	660	410	480	160
Removal of trees	458	467	415	371	499	294	266
Trimming removal	5,611	4,556	7,612	4,557	1,813	806	665
Stump removal	222	196	238	221	366	381	406
Human Resources²							
Medical claims	251	279	226	265	290	298	236
Indemnity claims	37	40	51	29	24	34	37
Total claims	288	319	277	294	314	332	273
Mobile 311							
Calls	115,398	109,681	116,030	110,655	110,168	100,234	72,126
SROs created	60,916	59,725	64,147	60,345	55,644	51,725	36,348
Municipal Information Technology & Telecommunications							
Buildings with computer equipment	181	180	180	175	170	166	155
Miles of fiber	825	825	920	820	810	800	560
Wireless sites	30	27	22	20	25	35	45
Computer user accounts	2,934	2,850	2,750	2,680	2,850	2,821	2,407
Email accounts	2,320	2,050	2,200	2,203	2,050	1,810	1,576
Voicemail accounts	1,547	1,738	1,735	1,584	1,545	1,285	1,311
Computers/printers supported	2,537	2,450	2,600	2,496	2,450	2,397	2,302
Servers supported	115	75	90	90	75	60	81
800Mhz subscribers	-	1,906	1,906	1,906	1,906	1,906	1,906
City phone extensions	2,724	2,426	2,267	2,544	2,442	2,475	2,351
Broadband data cards	89	110	103	102	97	86	69
Software applications supported	409	409	408	391	375	342	*
MIT Help Desk cases	10,270	9,450	3,917	5,331	5,209	5,040	*
Number of employees trained	-	75	599	889	510	620	*
Cell phones	365	333	331	340	307	244	210
Telecom Help Desk requests	2,028	2,132	1,995	2,302	2,952	2,674	2,906
Economic Development							
Mobile Historic Development Commission							
Applications reviewed	449	471	469	433	584	597	577
Certificates issued	374	448	440	391	543	526	469
Applications heard by review board	75	93	111	158	226	226	108
Applications denied	6	5	11	16	7	24	14
Public Safety							
Mobile Police Department							
Crime incidents:							
Murder (or Non-Neg Manslaughter)	27	25	20	27	35	34	31
Murder domestic	3	7	2	2	3	6	3
Negligent manslaughter	1	-	-	-	-	2	1
Forcible rape	52	43	52	30	22	30	54
Carjacking	23	24	60	73	68	59	46
Robbery	526	622	686	775	833	639	601
Aggravated assault	879	999	1,035	301	311	370	398
Burglary	3,119	3,844	3,882	3,493	3,182	3,416	3,349
Larceny	9,213	9,030	9,889	9,555	9,707	9,749	9,655
Vehicle theft	611	783	1,267	972	1,192	1,278	1,432
Arson	61	53	58	56	78	89	56

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST SEVEN¹ FISCAL YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Simple Assault	2,349	3,818	1,171	5,639	5,822	5,929	6,230
Sex offenses	174	138	234	233	275	266	294
Narcotics Laws	3,077	2,333	3,388	3,096	3,059	3,115	3,189
Weapons Offense	458	382	398	400	383	354	352
Forgery-counterfeiting	337	401	395	382	652	623	623
D.U.I.	388	459	570	478	589	565	472
All Other Offenses	31,953	31,748	35,262	31,223	33,085	33,885	34,512
Total Tickets							
Following too close	105	66	101	129	118	57	45
Run red light	1,623	1,766	2,221	2,105	2,765	2,165	1,994
Run stop sign	1,592	1,336	2,143	1,971	2,251	1,097	1,148
Speeding	11,774	9,807	11,472	12,774	15,500	12,234	9,314
Speeding in school zone	415	320	325	255	218	183	132
Mobile Fire Rescue Department							
Total calls answered	31,529	32,858	35,713	34,248	31,712	30,579	2,588
Inspections	4,010	9,762	7,177	695	641	872	658
Plans reviewed	432	889	806	1,619	3,854	871	196
Permits issued	372	963	555	1,331	1,265	1,191	350
Mobile Municipal Court							
Total cases processed	70,406	71,996	72,230	67,571	76,578	69,951	57,772
Domestic violence cases	1,670	1,590	1,642	1,485	1,567	1,698	1,691
Environmental cases	4,061	3,709	3,977	3,285	4,311	2,614	2,610
Traffic cases	55,030	56,149	56,823	52,590	61,096	56,363	43,489
Criminal cases	9,645	10,548	9,788	10,211	9,604	9,276	9,982
Public works							
Flood Control							
Debris removed (cubic yards)	6,000	6,645	240	1,720	180	940	18,120
Work on ditches (miles)	18	13	28	30	36	32	141
Administration							
Disciplinary actions processed	225	379	385	320	102	152	175
Claims/reports processed	118	111	103	147	117	100	106
Concrete and sidewalk repair							
Concrete poured	1,575	2,452	2,919	4,114	5,305	3,238	2,342
Repairs	451	650	520	1,193	886	1,049	881
Replacements	10	8	39	507	526	540	522
Right-of-way maintenance							
Material hauled (cubic yards)	33,200	23,568	37,880	55,341	40,572	47,654	20,845
Material used (cubic yards)	13,165	5,590	9,220	9,450	8,845	9,930	7,825
Repairs	277	214	207	244	320	261	126
Asphalt street repair							
Asphalt used (tons)	1,233	1,088	1,466	2,402	2,376	3,152	2,467
Repairs	21,711	14,451	19,087	18,925	17,801	21,332	21,376
Street Sweeping							
Miles sweeper swept	26,336	15,902	17,400	16,400	17,623	18,319	19,260
Debris removed (cubic yards)	16,947	15,716	14,807	14,304	17,460	17,697	20,310
Water used (gallons)	269,640	220,750	276,397	299,604	369,640	467,000	840,000
Dredge							
Material dredged/removed (cubic yards)	7,920	13,745	24,344	15,035	25,130	49,650	46,809
Storm drain and heavy equipment							
Drains cleaned	3,423	4,186	4,224	5,387	4,455	3,506	4,859
Material hauled (cubic yards)	3,481	4,176	15,744	16,188	5,472	11,448	13,458
Solid waste							
Waste removal (tons)	54,269	54,513	56,306	55,972	56,647	58,235	58,734
Other waste removal	291 (ton)	110 (ton)	93 (ton)	68.27(ton)	57(ton)	227 (ton)	61800(cy)

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST SEVEN¹ FISCAL YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Special events	315	240	199	245	242	160	560
Carcass removal	3,610	3,947	4,986	5,525	6,925	7,588	4,512
Trash division							
Trash picked up	173,820	189,960	191,300	201,900	231,900	264,602	333,285
Pay pile loads	349	570	600	526	896	977	610
Environmental Response Crew							
Collections (gallons)	2,954	734	1,240	805	1,442	1,338	4,643
Other collections (yards)	-	-	-	-	-	13	-
Cleaned (feet)	24,466	28,080	35,665	34,805	19,555	19,707	6,285
Culture and Recreation							
Museum of Mobile							
Total admissions	63,014	61,628	80,414	92,483	87,815	201,629	39,598
Mobile Public Library							
Items circulated	1,899,180	1,871,251	1,979,929	2,121,584	1,975,446	1,830,942	1,739,028
Customer visits	1,369,945	1,417,588	1,441,980	1,469,049	1,369,611	1,264,125	1,123,116

¹ Only years available

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

*Data not available

** Data corrected

Source: Various City Departments

**CITY OF MOBILE, ALABAMA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN¹ FISCAL YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Streets and Highways							
Paved	1,267.2	1,264.4	1,263.3	1,262.5	1,261.5	1,179.7	1,164.1
Unimproved	19.8	21.8	21.8	21.8	20.9	15.8	12.8
Traffic Signals	315	453	431	452	452	398	283
Street Lights	5,200	5,200	4,922	4,922	4,922	4,922	4,893
Public Safety							
Police							
Precincts and Mini-Precincts	8	9	8	9	10	10	8
Fire							
Number of Stations	21	20	20	20	20	19	17
Culture and Recreation							
Number of Parks	93	95	91	91	89	68	67
Parks Acreage	1,754	1,754	1,740	1,740	1,740	1,740**	1,740**
Swimming Pools	6	5	7	7	7	6	6
Wading Pools	5	-	-	-	-	-	-
Spray Grounds	3	-	-	-	-	-	-
Tennis Courts	97	97	97	97	97	97	87
Community Centers	15	15	17	17	17	16	16
Motor Pool							
Number of Sanitation Collection Trucks	38	37	36	48	34	31	*

*Information not available

¹Only years available

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

Source: Various City Departments